DOCKET SECTION

OFFICIAL TRANSCRIPT OF PROCEEDINGS **BEFORE THE** POSTAL RATE COMMISSION

In the Matte	r of:)			
EXPERIMENTAL SERVICE	PREMIUM	FORWARDING)	Docket	No.	MC2005-1

VOLUME #2 Testimony and Designated Written Cross-Examination of Postal Service Witnesses Abdirahman, Cobb, Koroma, Rothschild

and Institutional

Pages: 10 through 895

Place:

Washington, D.C.

Date:

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BEFORE THE POSTAL RATE COMMISSION WASHINGTON, DC 20268-0001

Experimental Premium Forwarding Service

Docket No. MC2005-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION

<u>Party</u> <u>Interrogatories</u>

United States Postal Service

Abdulkadir Abdirahman (USPS-T-3)

Office of the Consumer Advocate DBP/USPS-T3-2-3, 4b-d, 5-8

OCA/USPS-T3-1-13, 14d-e, 15-20

United States Postal Service Direct Testimony of Abdulkadir M. Abdiraham

USPS-T-3

Arnetta L. Cobb (USPS-T-1)

Office of the Consumer Advocate DBP/USPS-T1-1-24, 26-58, 60-75, 77, 81-83, 83b

DBP/USPS-T3-1 redirected to T1

DFC/USPS-T1-1

OCA/USPS-T1-1-2, 4-10, 12-42

OCA/USPS-T3-14a-c redirected to T1 OCA/USPS-T4-23-24 redirected to T1

United States Postal Service Direct Testimony of Arnetta L. Cobb USPS-T-1

Samuel J. Koroma (USPS-T-4)

Office of the Consumer Advocate DBP/USPS-T4-1-9

DBP/USPS-T2-2c redirected to T4

DFC/USPS-T4-1

OCA/USPS-T4-1-18, 22

United States Postal Service Direct Testimony of Samual J. Koroma USPS-T-4

<u>Party</u> <u>Interrogatories</u>

Beth B. Rothschild (USPS-T-2)

Office of the Consumer Advocate DBP/USPS-T2-2a-b OCA/USPS-T2-1-13

United States Postal Service Direct Testimony of Beth B. Rothschild USPS-T-2

Institutional

Office of the Consumer Advocate DBP/USPS-T1-25 redirected to USPS

OCA/USPS-T4-19-21, 25 redirected to USPS

Respectfully submitted,

Steven W. Williams

Secretary

INTERROGATORY RESPONSES DESIGNATED AS WRITTEN CROSS-EXAMINATION

Interrogatory	Designating Parties		
United States Postal Service			
Abdulkadir Abdirahman (USPS-T-3)			
DBP/USPS-T3-2	OCA		
DBP/USPS-T3-3	OCA		
DBP/USPS-T3-4b	OCA		
DBP/USPS-T3-4c	OCA		
DBP/USPS-T3-4d	OCA		
DBP/USPS-T3-5	OCA		
DBP/USPS-T3-6	OCA		
DBP/USPS-T3-7	OCA		
DBP/USPS-T3-8	OCA		
OCA/USPS-T3-1	OCA		
OCA/USPS-T3-2	OCA		
OCA/USPS-T3-3	OCA		
OCA/USPS-T3-4	OCA		
OCA/USPS-T3-5	OCA		
OCA/USPS-T3-6	OCA		
OCA/USPS-T3-7	OCA		
OCA/USPS-T3-8	OCA		
OCA/USPS-T3-9	OCA		
OCA/USPS-T3-10	OCA		
OCA/USPS-T3-11	OCA		
OCA/USPS-T3-12	OCA		
OCA/USPS-T3-13	OCA		
OCA/USPS-T3-14d	OCA		
OCA/USPS-T3-14e	OCA		
OCA/USPS-T3-15	OCA		
OCA/USPS-T3-16	OCA		
OCA/USPS-T3-17	OCA		
OCA/USPS-T3-18	OCA		
OCA/USPS-T3-19	OCA		
OCA/USPS-T3-20	OCA		

<u>Interrogatory</u>	Designating Parties
Direct Testimony of Abdulkadir M. Abdiraham USPS-T-3	USPS
Arnetta L. Cobb (USPS-T-1)	
DBP/USPS-T1-1	OCA
DBP/USPS-T1-2	OCA
DBP/USPS-T1-3	OCA
DBP/USPS-T1-4	OCA
DBP/USPS-T1-5	OCA
DBP/USPS-T1-6	OCA
DBP/USPS-T1-7	OCA
DBP/USPS-T1-8	OCA
DBP/USPS-T1-9	OCA
DBP/USPS-T1-10	OCA
DBP/USPS-T1-11	OCA
DBP/USPS-T1-12	OCA
DBP/USPS-T1-13	OCA
DBP/USPS-T1-14	OCA
DBP/USPS-T1-15	OCA
DBP/USPS-T1-16	OCA
DBP/USPS-T1-17	OCA
DBP/USPS-T1-18	OCA
DBP/USPS-T1-19	OCA
DBP/USPS-T1-20	OCA
DBP/USPS-T1-21	OCA
DBP/USPS-T1-22	OCA
DBP/USPS-T1-23	OCA
DBP/USPS-T1-24	OCA
DBP/USPS-T1-26	OCA
DBP/USPS-T1-27	OCA
DBP/USPS-T1-28	OCA
DBP/USPS-T1-29	OCA
DBP/USPS-T1-30	OCA
DBP/USPS-T1-31	OCA
DBP/USPS-T1-32	OCA
DBP/USPS-T1-33	OCA
DBP/USPS-T1-34	OCA

Interrogatory	Designating Parties
DBP/USPS-T1-35	OCA
DBP/USPS-T1-36	OCA
DBP/USPS-T1-37	OCA
DBP/USPS-T1-38	OCA
DBP/USPS-T1-39	OCA
DBP/USPS-T1-40	OCA
DBP/USPS-T1-41	OCA
DBP/USPS-T1-42	OCA
DBP/USPS-T1-43	OCA
DBP/USPS-T1-44	OCA
DBP/USPS-T1-45	OCA
DBP/USPS-T1-46	OCA
DBP/USPS-T1-47	OCA
DBP/USPS-T1-48	OCA
DBP/USPS-T1-49	OCA
DBP/USPS-T1-50	OCA
DBP/USPS-T1-51	OCA
DBP/USPS-T1-52	OCA
DBP/USPS-T1-53	OCA
DBP/USPS-T1-54	OCA
DBP/USPS-T1-55	OCA
DBP/USPS-T1-56	OCA
DBP/USPS-T1-57	OCA
DBP/USPS-T1-58	OCA
DBP/USPS-T1-60	OCA
DBP/USPS-T1-61	OCA
DBP/USPS-T1-62	OCA
DBP/USPS-T1-63	OCA
DBP/USPS-T1-64	OCA
DBP/USPS-T1-65	OCA
DBP/USPS-T1-66	OCA
DBP/USPS-T1-67	OCA
DBP/USPS-T1-68	OCA
DBP/USPS-T1-69	OCA
DBP/USPS-T1-70	OCA
DBP/USPS-T1-71	OCA
DBP/USPS-T1-72	OCA

Interrogatory	Designating Parties
DBP/USPS-T1-73	OCA
DBP/USPS-T1-74	OCA
DBP/USPS-T1-75	OCA
DBP/USPS-T1-77	OCA
DBP/USPS-T1-81	OCA
DBP/USPS-T1-82	OCA
DBP/USPS-T1-83	OCA
DBP/USPS-T1-83b	OCA
DBP/USPS-T3-1 redirected to T1	OCA
DFC/USPS-T1-1	OCA
OCA/USPS-T1-1	OCA
OCA/USPS-T1-2	OCA
OCA/USPS-T1-4	OCA
OCA/USPS-T1-5	OCA
OCA/USPS-T1-6	OCA
OCA/USPS-T1-7	OCA
OCA/USPS-T1-8	OCA
OCA/USPS-T1-9	OCA
OCA/USPS-T1-10	OCA
OCA/USPS-T1-12	OCA
OCA/USPS-T1-13	OCA
OCA/USPS-T1-14	OCA
OCA/USPS-T1-15	OCA
OCA/USPS-T1-16	OCA
OCA/USPS-T1-17	OCA
OCA/USPS-T1-18	OCA
OCA/USPS-T1-19	OCA
OCA/USPS-T1-20	OCA
OCA/USPS-T1-21	OCA
OCA/USPS-T1-22	OCA
OCA/USPS-T1-23	OCA
OCA/USPS-T1-24	OCA
OCA/USPS-T1-25	OCA
OCA/USPS-T1-26	OCA
OCA/USPS-T1-27	OCA
OCA/USPS-T1-28	OCA
OCA/USPS-T1-29	OCA

Interrogatory	Designating Parties
OCA/USPS-T1-30	OCA
OCA/USPS-T1-31	OCA
OCA/USPS-T1-32	OCA
OCA/USPS-T1-33	OCA
OCA/USPS-T1-34	OCA
OCA/USPS-T1-35	OCA
OCA/USPS-T1-36	OCA
OCA/USPS-T1-37	OCA
OCA/USPS-T1-38	OCA
OCA/USPS-T1-39	OCA
OCA/USPS-T1-40	OCA
OCA/USPS-T1-41	OCA
OCA/USPS-T1-42	OCA
OCA/USPS-T3-14a redirected to T1	OCA
OCA/USPS-T3-14b redirected to T1	OCA
OCA/USPS-T3-14c redirected to T1	OCA
OCA/USPS-T4-23 redirected to T1	OCA
OCA/USPS-T4-24 redirected to T1	OCA
Direct Testimony of Arnetta L. Cobb USPS-T-1	USPS
Samuel J. Koroma (USPS-T-4)	
DBP/USPS-T4-1	OCA
DBP/USPS-T4-2	OCA
DBP/USPS-T4-3	OCA -
DBP/USPS-T4-4	OCA
DBP/USPS-T4-5	OCA
DBP/USPS-T4-6	OCA
DBP/USPS-T4-7	OCA
DBP/USPS-T4-8	OCA
DBP/USPS-T4-9	OCA
DBP/USPS-T2-2c redirected to T4	OCA
DFC/USPS-T4-1	OCA
OCA/USPS-T4-1	OCA
OCA/USPS-T4-2	OCA
OCA/USPS-T4-3	OCA
OCA/USPS-T4-4	OCA

OCA

OCA/USPS-T4-5

Interrogatory	Designating Parties
OCA/USPS-T4-6	OCA
OCA/USPS-T4-7	OCA
OCA/USPS-T4-8	OCA
OCA/USPS-T4-9	OCA
OCA/USPS-T4-10	OCA
OCA/USPS-T4-11	OCA
OCA/USPS-T4-12	OCA
OCA/USPS-T4-13	OCA
OCA/USPS-T4-14	OCA
OCA/USPS-T4-15	OCA
OCA/USPS-T4-16	OCA
OCA/USPS-T4-17	OCA
OCA/USPS-T4-18	OCA
OCA/USPS-T4-22	OCA
Direct Testimony of Samual J. Koroma USPS-T-4	USPS
Beth B. Rothschild (USPS-T-2)	
DBP/USPS-T2-2a	OCA
DBP/USPS-T2-2b	OCA

DBP/USPS-T2-2a	OÇA
DBP/USPS-T2-2b	OCA
OCA/USPS-T2-1	OCA
OCA/USPS-T2-2	OCA
OCA/USPS-T2-3	OCA
OCA/USPS-T2-4	OCA
OCA/USPS-T2-5	OCA
OCA/USPS-T2-6	OCA
OCA/USPS-T2-7	OCA
OCA/USPS-T2-8	OCA
OCA/USPS-T2-9	OCA
OCA/USPS-T2-10	OCA
OCA/USPS-T2-11	OCA
OCA/USPS-T2-12	OCA
OCA/USPS-T2-13	OCA
Direct Testimony of Beth B. Rothschild USPS-T-	USPS

Institutional

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DBP/USPS-T1-25 redirected to USPS

OCA

Interrogatory	Designating Parties
OCA/USPS-T4-19 redirected to USPS	OCA
OCA/USPS-T4-20 redirected to USPS	OCA
OCA/USPS-T4-21 redirected to USPS	OCA
OCA/USPS-T4-25 redirected to USPS	OCA

United States Postal Service

Abdulkadir Abdirahman (USPS-T-3)

DBP/USPS-T3-2. On lines 3 to 6 on page 3 of your testimony, you indicate that the collection process would be similar to the collection of postage due at a call window. Please provide each of the elements that are involved in the collection of postage due and indicate which of these items would be incurred in the PFS program.

RESPONSE:

The elements involved in the collection of postage due at a call window are an explanation from the clerk to the customer regarding the postage due, payment by the customer, and release of the mailpiece by the clerk. The elements involved in the PFS collection process would be similar to these. Therefore, I determined that collection of postage due was a reasonable proxy for this experiment.

DBP/USPS-T3-3. On lines 10 to 12 on page 3 of your testimony, you indicate that the recordation process would be similar to the processing of a Change-of-Address card. Please provide each of the elements that are involved in the processing of a Change-of-Address card and indicate which of these items would be incurred in the PFS program.

RESPONSE:

When processing a Change-of-Address card, the employee must enter the customer's name, previous address, new address, and effective start date for the new address, and end date for the forwarding service. The recordation process for the PFS Master Log would involve the entry of similar information, such as the customer's name, primary address, PFS address, effective start date and end date. Therefore, I used Change-of-Address processing as a reasonable proxy for this experiment.

DBP/USPS-T3-4. On lines 19 and 20 of page 4 of your testimony, you indicate that the Postal Service would provide and complete the necessary PFS address labels. [a] What arrangements will exist to supply the local office with labels for the PFS customers? [b] Will the local carrier be required to take any action other than affixing a preprinted label? [c] If so, please enumerate the items that have to be completed by the local carrier. [d] Please advise how the 1 minute time was determined for filling out the label and how this was converted to a cost of \$0.76.

- [a] Redirected to witness Cobb (USPS-T-1).
- [b] Regarding carrier actions specific to labels, in offices that are able to generate preprinted labels, the carrier would simply have to affix the label. In offices that are not yet able to generate preprinted labels, the carrier will be required to prepare each label for PFS related mailings. We currently do not know the percentage of offices that are able to generate preprinted labels. Therefore, in order to be conservative, I assumed in my cost study that carriers would be preparing each label manually.
- [c] In offices that are not yet able to generate preprinted labels, the local carrier would be required to fill out the temporary address for the PFS customer.

DBP/USPS-T3-4. On lines 19 and 20 of page 4 of your testimony, you indicate that the Postal Service would provide and complete the necessary PFS address labels. [a] What arrangements will exist to supply the local office with labels for the PFS customers? [b] Will the local carrier be required to take any action other than affixing a preprinted label? [c] If so, please enumerate the items that have to be completed by the local carrier. [d] Please advise how the 1 minute time was determined for filling out the label and how this was converted to a cost of \$0.76.

- [a] (Response of witness Cobb filed on December 8, 2004.)
- [b-c] (Response of witness Abdirahman filed on December 8, 2004.)
- [d] The Change-of-Address card has two sections: one for the customer's previous address, and one for the customer's new address. The carrier is allowed two minutes to complete both sections of the Change-of-Address card. The cost of completing both sections of the Change-of-Address card was estimated to be \$1.652 as reflected in errata to my testimony filed on December 20, 2004, together with a revised Appendix. Please refer to Docket No. R2001-1, LR-J-69 Table 5.2.5.4, available at http://www.prc.gov/docs/27/27119/SECTION_C.xls. The time for filling in the PFS label is assumed to be half that of completing the Change-of-Address form because only one-half of the information needed to complete a Change-of-Address card is needed to complete the PFS label. Instead of entering both an old and new address for the customer, the carrier need only fill out the customer's name and PFS address before applying the PFS label on the package. The \$0.826 cents, which is half of \$1.652, represents the cost of a carrier filling out only one section of a Change-of-Address card.

Revised December 22, 2004 RESPONSE OF POSTAL SERVICE WITNESS ABDIRAHMAN TO DAVID B. POPKIN INTERROGATORY

DBP/USPS-T3-5. [a] Please confirm, or explain if you are unable to do so, that on Page 2 of the Appendix, the \$3.46 cost is the total cost of the proxy cost of a post office box application; the \$0.02 is the total cost of the proxy cost of the collection of postage due at a call window; and the \$1.53 is the total cost of the processing of a Change-of-Address card. [b] Please provide a breakdown of the labor time and wage rate for the \$1.53. [c] Please explain how the \$3.46 labor cost was determined including an explanation of the definition of "Overhead Cost Factor", "Waiting Time Factor", and "Piggyback Factor for Window Service." Please provide copies of any of the pages from Docket No. R2001-1 that are referred to in the footnotes.

- [a] Confirmed that the figures provided in the question were the original numbers, but they have been revised. Please see page 2 of the revised Appendix to my testimony, filed on December 20, 2004. The \$3.46 proxy cost for a post office box application transaction is now \$3.912. The \$0.02 proxy cost for the additional cost of determining PFS charges is now \$0.020. The \$1.53 cost of processing a Change-of- Address Card is now \$1.652.
- [b] Please refer to Docket No. R2001-1, LR-J-69 Table 5.2.5.4 for the breakdown of labor time and wage rate. This table can be found at http://www.prc.gov/docs/27/27119/SECTION_C.xls, Table 5.2.5.4. The \$1.53 figure that I originally presented has been updated to account for inflation; it has been replaced by \$1.652.
- [c] Please see the revised Appendix to my testimony, filed on December 20, 2004.

 According to the transaction time study referenced in footnote 1 on page 2 of the Appendix, it takes 188.32 seconds to complete a post office box rental window transaction. That translates to 0.052 hours of labor time which, multiplied by the 2005 clerk hourly wage rate of \$33.741, the Overheard Cost Factor of 1.073, the Waiting

Revised December 22, 2004 RESPONSE OF POSTAL SERVICE WITNESS ABDIRAHMAN TO DAVID B. POPKIN INTERROGATORY

Time factor of 1.410, and Piggyback Factor of 1.465, leads to a the \$3.912 labor cost figure. (0.052*33.741*1.073*1.410*1.465=\$3.912). Overhead costs are costs for window employees involved in clocking in and out, moving empty equipment, or taking a break. Waiting Time costs are costs for time spent when the window employee is waiting to serve a customer. Piggyback costs are other indirect costs needed to support activity at the retail window. These factors have been used in rate cases for decades and their use has been well-supported on the record. For example, for a discussion of piggyback factors, please refer to the Docket No. R2001-1 testimony of Marc Smith, USPS-T-15. See http://www.prc.gov/docs/27/27181/test-usps-t15-smith.pdf. This methodological approach is not unique to this docket.

DBP/USPS-T3-6. [a] Please confirm, or explain if you are unable to do so, that on Page 3 of the Appendix, the \$1.75 cost for repackaging is the labor cost for the two minutes that you observed. [b] Please explain how the \$1.75 labor cost was determined including an explanation of the definition of "Piggyback Factor for Window Service." Please provide copies of any of the pages from Docket No. R2001-1 that are referred to in the footnotes. [c] Please advise the approximate number of offices that you visited and the approximate number of repackaging activities that you observed to determine the 2-minute time.

- [a] Confirmed that \$1.75 is the figure I originally provided to reflect two minutes' time for repackaging. However, after examining my analysis more closely, I now conclude that the correct figure is \$1.546. This new figure appears on page 3 of my revised Appendix.
- [b] Please refer to my response to part (a) above. The \$1.546 is arrived at as follows: the labor time in hours (0.033 hours) is multiplied by the 2005 wage rate for carriers (\$34.200) and the Piggyback Factor for Window Service (1.356) to equal \$1.546. [(0.033 hours)*(\$34.200)*1.356=\$1.546]. Please see the response to DBP/USPS-T3-5[c] for a further discussion of "Piggyback Factor for Window Service."
- [c] I visited a total of 6 offices with some offices delivering to two ZIP Codes. I observed a total of ten repackaging activities.

DBP/USPS-T3-7. Please refer to your responses to DBP/USPS-T3-6 subpart c and OCA/USPS-T3-5 in which you indicated that you undertook field operations to determine the two minute time for repackaging activities by evaluating the times for a total of ten activities at six offices. Please advise the level of confidence this size sample represents with respect to the total predicted reshipment countrywide annual use of PFS. Please provide two separate answers utilizing the estimates provided by both witness Koroma and Rothschild

RESPONSE:

The two minute time estimate is not based on a statistically random sample, so the level of confidence cannot be computed.

DBP/USPS-T3-8 Please refer to your response to Interrogatory OCA/USPS-T3-18. [a] Please explain why you measured the time to the nearest one-hundredth of a second. [b] Did it seem odd to you that ten separate measurements had values that were all within 1.015 seconds of 119.135 seconds? [c] If not, why not? [d] Please advise the arrangements that were made with the individual offices to observe these measurements including how you were able to conduct measurements at two separate offices on the same day since one might believe that repacking would be done at a similar time of the day. [e] Were the six individuals who were doing the repacking aware that they were being observed? [f] If so, please explain if that is the normal procedure and why you feel the data is reliable. [g] If not, what is the title of any other person in each facility who was aware that the observations were being made? [h] What is the approximate travel time between the two Minnesota offices, the two Connecticut offices, and the two Virginia offices?

- (a) I used a stop watch and recorded the information as such.
- (b) No.
- (c) The measured tasks were all similar. The similarity of times recorded suggested that the tasks were relatively standardized in terms of their required motions.
- (d) As a normal procedure, arrangements were made with individual

 Postmasters/Managers prior to the requested day of the observations to ensure that I would be able to observe the repackaging. Contrary to the assumption in your question, there was a wide window of time during which the repackaging activities could take place.
- (e) Yes.
- (f) I believe the data are good and reliable for this experiment. I observed no particular activity that would suggest the observed individuals had adjusted their activities due to my presence, nor did I engage them in conversation or do anything to distract them.
- (g) Not applicable.

(h) The approximate travel time between the two Minnesota offices is 1 hour 15 minutes. The approximate travel time between the two Connecticut offices is 12 minutes. The approximate travel time between the two Virginia offices is 7 minutes.

OCA/USPS-T3-1. Please refer to your testimony at page 2, line 3, where you indicate all of the costs for PFS are volume variable. Please explain whether you characterize the costs of training carriers, clerks and SSAs (Sales and Service Associates) as volume variable. If those costs are not volume variable, how are those costs accounted for by the Postal Service and how will they be considered in determining the cost of PFS?

RESPONSE:

My testimony at page 2, line 3 did not use "costs for PFS" to refer to training costs. For more on training costs, please see witness Cobb's response to OCA/USPS-T1-6.

OCA/USPS-T3-2. Please refer to your testimony at page 3 where you state that you have used the collection cost of 2 cents for postage due at a call window as a proxy for the PFS prepayment cost. Please explain why you did not use the cost of collection of post office box fees as a proxy for PFS prepayment costs since that process seems more likely to involve payment by personal check or credit card (as does the PFS prepayment) rather than the postage due collection process which seems likely to involve a high percentage of less costly cash transactions.

RESPONSE:

To calculate the PFS set-up cost, I used both the cost of post office box transactions (which includes the collection of post office box fees) and the cost of the postage due collection process as proxies. The "1997 Window Transaction Time Study" includes the time for post office box transaction estimates. The post office box transaction cost could not be used as the sole proxy for the PFS prepayment cost because PFS prepayment requires additional time not covered by the post office box transaction proxy. PFS prepayment requires the window clerk to calculate the PFS cost depending on the length of time the customer would like PFS to last. The cost of the postage due collection process was used as a proxy to capture this additional time for this experiment.

OCA/USPS-T3-3. If you had used the cost of collecting post office box fees as the proxy for PFS prepayment cost, what cost would you have calculated? Please provide the detail of the calculation similar to that on page 2 of the attachment to your testimony.

RESPONSE:

Please see my response OCA/USPS-T3-2.

OCA/USPS-T3-4. Please calculate the Postal Service's labor cost of an individual transaction if a check or a credit card is used to pay a PFS fee.

RESPONSE:

We do not have separate estimates of the Postal Service's labor cost of an individual transaction if a check or a credit card is used to pay a PFS fee. The labor cost already reflects payment by cash, check or credit card.

OCA/USPS-T3-5. Please refer to your testimony at page 4 where you indicate that you undertook field observations of informal reshipment services conducted at small, medium and large delivery units.

- (a) Please indicate when, where, and how many times at each size operation you observed these informal reshipment services.
- (b) Did the postal service employees preparing the mail for reshipment ever use two or more boxes to reship the mail?
- (c) How did the Postal Service employees preparing the mail for reshipment determine the size or sizes of the Priority Mail box used for reshipment?
- (d) Did the Postal Service employees preparing the mail for reshipment ever use non-Priority Mail boxes or fashion a large box for reshipment?
- (e) Do you agree that, if two or more Priority Mail boxes are required for a customer, additional employee time would be required to fill and label the additional Priority Mail box?
- (f) If you answer part (d), above, is in the affirmative, would the cost of that additional time be the same cost as you show for the first box in your cost study on page 3 of the attachment to your testimony under "Labor Cost: Repackaging" and "Labor Cost: Carrier filling out the label" of \$1.75 for repackaging plus \$0.76 for labeling for the second box and for each additional box?

RESPONSE:

(a) On October 30, 2003, I visited the large West Edina Carrier Annex in Edina, MN.

Two observations were conducted at this facility.

On the same date I also visited the small Richmond, MN office. One observation was conducted at this facility.

On November 19, 2003, I visited Avon, CT. Two observations were conducted at this medium-sized facility.

On the same date, I also visited the small Simsbury, CT office. Two observations were conducted in this facility.

On December 15, 2003, I visited the Falls Church, VA Main Post Office. Two observations were conducted at this large facility.

On December 15, 2003 I also visited the small Pimmit Finance Station, Falls Church, VA. One observation was conducted at this facility.

- (b) During my observations, I did not see any postal employee prepare mail for reshipment using two or more boxes.
- (c) Employees used the volume of mail to determine what size container to use.
- (d) I did not observe any postal employee prepare the mail for reshipment using non-Priority Mail boxes, or fashion a larger box for reshipment.
- (e) Lagree.
- (f) N/A.

OCA/USPS-T3-6. Please refer to the electronic version of the appendix attached to your testimony at page 2, Notes 3 and 4, citing "Docket No. R2001-1, USPS-T-11, WP B3 W/3.2.1" as the source for the "Overhead Cost Factor" and the "Waiting Time Factor." Please provide a copy of the relevant page from the referenced citation highlighting the Overhead Cost Factor of 1.0911 and the Waiting Time Factor of 1.2156.

RESPONSE:

For the corrected Overhead Cost Factor and Waiting Time Factor, please see page 2 of the revised appendix to my testimony, filed on December 20, 2004. The relevant source pages are available at http://www.prc.gov/docs/27/27105/workpapb.zip (Cs03.xls). For the Overheard Cost Factor, please refer to 1+Cell C64/(Cell C81-Cell C64) a1+Cell K76/(Cell U59-Cell K76) and for the Waiting Time Factor, please refer to 1+Cell K76/(Cell U59-Cell K76).

OCA/USPS-T3-7. Please refer to the electronic version of the appendix attached to your testimony at page 2, Note 5, citing "Docket No. R2001-1, USPS-T-15, Attachment 10" as the source for the "Piggyback Factor for Window Service."

- a. Please confirm that the window service piggyback factor for "Post Office Box" in Attachment 10 is 1.465. If you do not confirm, please explain.
- b. Please confirm that the window service piggyback factor for "Total Volume Variable" in Attachment 10 is 1.465. If you do not confirm, please explain.
- c. Please confirm that the window service piggyback factor for "C.O.D." in Attachment 10 is 1.463. If you do not confirm, please explain.
- d. Please explain why you used the window service piggyback factor for "C.O.D." of 1.463 as the "Piggyback Factor for Window Service" for calculating "Labor Cost: Window Acceptances of Customer Request for Premium Forwarding Service Application."

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Please see the revised Appendix to my testimony, filed on December 20, 2004.

The "Piggyback Factor for "C.O.D." of 1.463" is no longer used. Instead, I am using the Piggyback Factor for Post Office Box, which is 1.465.

OCA/USPS-T3-8. Please refer to the electronic version of the appendix attached to your testimony at page 2. The "Labor Cost: Clerk Collecting Fees and Postage" is \$0.0203, which is based upon the "Collection of Postage Due at Call Window was used as Proxy." Note 6 cites "LR-J-69 Table 5.2.5.4 N8."

- a. Please confirm that "N8" in Note 6 refers to cell N8 in Table 5.2.5.4 of LR-J-69. If you do not confirm, please explain.
- b. Please confirm that figure in cell N8 is \$0.018342. If you do not confirm, please explain.
- c. Please show all calculations used to derive the "Collection of Postage Due at Call Window was used as Proxy" of \$0.0203.
- d. Please confirm that the "Collection of Postage Due at Call Window was used as Proxy" of \$0.0203 includes an adjustment for inflation out to 2005. If you do not confirm, please explain.

- a. Confirmed.
- b. Confirmed. However, please refer to my response to part (c) below.
- c. Please see pages 2 and 4 of the revised appendix to my testimony, filed on December 20, 2004. Table 5.2.5.4 of LR-J-69, cell N8, contains \$0.018342 as the cost for "Collection of Postage Due at Call Window." When that number is adjusted for inflation out to 2005, that figure becomes \$0.020.
- d. Confirmed. Please see my response to part (c). The \$0.020 includes an adjustment for inflation out to 2005.

OCA/USPS-T3-9. Please refer to the electronic version of the appendix attached to your testimony at page 2. The "Labor Cost: Back Office Setup" is \$1.5276, which is based upon the "PFS Back Office Setup (cost of processing Change-of-Address card used as proxy)." Note 7 cites and states "LR-J-69 Table 5.2.1.1 Row 2. Clerk is allowed two minutes".

- a. Please confirm that the cost of \$1.5276 found in Table 5.2.1.1 Row 2 of LR-J-69 is the cost per piece of processing a change-of-address card. If you do not confirm, please explain.
- b. Please explain the meaning and purpose of the phrase "Clerk is allowed two minutes" in Note 7.
- c. Please confirm that the "PFS Back Office Setup (cost of processing Changeof-Address card used as proxy)" of \$1.5276 includes an adjustment for inflation out to 2005. If you do not confirm, please explain.

- a. Confirmed that this was the original number. However, please refer to my response to part (c) below and to the errata filed on December 20, 2004.
- b. Please refer to the footnote noted under carrier processing found in Table 5.2.1.1 of LR-J-69. In PFS, a clerk will be performing this task instead of a carrier, so I applied the two minute time period to clerk costs when formulating this proxy.
- c. Please see the revised Appendix to my testimony, filed on December 20, 2004.
 The "PFS Back Office Setup (cost of processing Change-of-Address card used as proxy)" revised figure of \$1.652 includes an adjustment for inflation out to 2005.

OCA/USPS-T3-10. Please refer to your testimony at page 4, lines 7-9.

- a. Please identify and describe the activities of a carrier that is "separating the mail of a customer when mail is being held or forwarded." In particular, please discuss the handling of mail to be held or forwarded that is received from the P&DC (or other facility) in delivery point sequence in trays, and mail which must be cased.
- b. Please compare and contrast the activities identified and described in subpart a. above with the activities expected to be undertaken by the carrier with respect to the separation of PFS mail.

- a. The expectation is that the activities a carrier undertakes to sort out PFS mail would resemble those used when processing Hold Mail. As the carrier cases her mail for the day, any mail that would be cased to a delivery point for which a Hold Mail request is on file would be set aside. The carrier may also flip through her Delivery Point Sequenced mail for the pieces destined to addresses for which a Hold Mail request is on file.
- b. Please refer to the response to part (a). PFS mail would have to be set aside in a special location for PFS mail such that it can easily be identified and aggregated for repackaging on the designated days.

OCA/USPS-T3-11. Please refer to the electronic version of the appendix attached to your testimony at page 3. The "Labor Cost: Mail Separation" is \$0.19, which is based upon the "Cost of Carrier Preparation of Forwarded and Hold Mail used as Proxy" of \$0.031435 times 6 days a week. Note 1 cites "LR-J-69 Table 5.1.1." Please confirm that the "Cost of Carrier Preparation of Forwarded and Hold Mail used as Proxy" of \$0.031435 includes an adjustment for inflation out to 2005. If you do not confirm, please explain.

RESPONSE:

Please see the revised Appendix to my testimony, filed on December 20, 2004. The Cost of Carrier Preparation of Forwarded and Hold Mail was used as a proxy for the mail separation activities that would take place for PFS. That cost, representing the six days of mail separation required for a weekly PFS shipment, is \$0.204, which includes an adjustment for inflation out to 2005.

OCA/USPS-T3-12. Please refer to the electronic version of the appendix attached to your testimony at page 3, Note 4, citing "Docket No. R2001-1, USPS-T-15, Attachment 10" as the source for the "Piggyback Factor for Window Service w/o PO Boxes" of 1.464. Please provide a copy of the relevant page from the referenced citation highlighting the "Piggyback Factor for Window Service w/o PO Boxes."

RESPONSE:

Please see the revised appendix to my testimony, filed on December 20, 2004. The "Piggyback Factor for Window Service w/o PO Boxes" is no longer used. Instead, I am using the Piggyback Factor for city delivery carrier for Total Special Services. The page cited in the revised appendix is available at

http://www.prc.gov/docs/27/27181/attach1to15no13.xls. The piggyback factor for Total Special Services is found in cell E43 of Attachment 10.

OCA/USPS-T3-13. Please refer to the electronic version of the appendix attached to your testimony at page 4, where it states "Source: USPS annual average labor rates."

- a. For the "Base Salary 02," please provide a specific citation for the Clerk Wage Rate of \$30.29.
- Please confirm that the Average Hourly Rate for clerks is \$29.0544. See
 National Payroll Hour Summary Report, Accounting Period 13-2002,
 Clerks/Special Delivery, Post Office, Consolidated, at page 27. If you do not confirm, please explain.
- c. Please explain why you did not use the Average Hourly Rate for clerks of \$29.0544 as the "Base Salary 02."
- d. For the "Base Salary 02," please provide a specific citation for the Carrier Wage Rate of \$31.95.
- e. Please confirm that the Average Hourly Rate for city delivery carriers is \$29.6786. See National Payroll Hour Summary Report, Accounting Period 13-2002, City Delivery Carrier, Consolidated, at page 40. If you do not confirm, please explain?
- f. Please explain why you did not use the Average Hourly Rate for city delivery carriers of \$29.6786 as the "Base Salary 02."

- a. Please see the revised Appendix to my testimony, filed on December 20, 2004.

 The revised Appendix now uses the National Payroll Hour Summary Report as the source for wage rates. See the responses to parts (c) and (f).
- b. Confirmed.
- c. Please see the revised Appendix to my testimony, filed on December 20, 2004.
 My revised testimony relies on the \$32.4431 Average Hourly Rate for clerks contained in the National Payroll Hours Summary Report, Pay Period-FY 21-2004, Clerks/Special Delivery, Post Office, Consolidated, at page 27 (wage rate at bottom right of page). These wage rates are available at, http://www.prc.gov/show_document.asp?docid=42410; select bb2104.pdf.

- d. Please refer to my response to part (a) above.
- e. Confirmed
- f. Please refer to my response to part (c) above. My revised testimony relies on the \$32.884 Average Hourly Rate for clerks contained in the National Payroll Hours Summary Report, Pay Period-FY 21-2004, City Delivery Carrier, Consolidated, at page 40 (wage rate at bottom right of page). These wage rates are available at http://www.prc.gov/show_document.asp?docid=42410; select bb2104.pdf.

OCA/USPS-T3-14. Please refer to your testimony, revised December 20, 2004, at pages 3-5, referring to the section entitled "B. Per-Shipment Costs."

- (a) Please confirm that for PFS customers, Priority Mail pieces not requiring a scan or otherwise accountable arriving after dispatch on Tuesdays and prior to dispatch of the weekly PFS Priority Mail reshipment piece on Wednesdays would be held for inclusion in the weekly PFS reshipment piece. See response of witness Cobb to OCA/USPS-T1-4. If you do not confirm, please explain.
- (b) Please confirm that the Priority Mail pieces referred to in subpart (a) constitute, on average, one-sixth (i.e., one day per week, Wednesday, divided by six delivery days per week) of Priority Mail pieces received by PFS customers. If you do not confirm, please explain.
- (c) Please confirm that the Priority Mail pieces referred to in subpart (a) would increase the average weight of the weekly PFS Priority Mail reshipment piece. If you do not confirm, please explain.
- (d) Please confirm that your cost model for PFS per-shipment costs does not include any costs associated with Priority Mail pieces referred to in subpart (a) included in the weekly PFS reshipment piece. If you do not confirm, please explain.
- (e) Please estimate the costs associated with Priority Mail pieces referred to in subpart (a) included in the weekly PFS reshipment piece.

- (a-c) Redirected to Witness Cobb.
- (d-e) I estimated the per-shipment costs as described in section B of my testimony, revised December 20, 2004, at pages 3-5. The per-shipment costs are those costs associated with mail separation, repackaging and dispatch activities. While I did not specifically consider costs for the inclusion of Priority Mail in the weekly PFS shipment, such inclusion would be rare as described by witness Cobb in response to part (c) of this interrogatory. Moreover, the few Priority Mail pieces that could fit in the weekly shipment should add only minimal pershipment costs, especially if they are included as part of adding in other mail arriving that day for reshipment. Thus, I do not expect any significant additional per-shipment costs from including Priority Mail pieces in the weekly shipment.

OCA/USPS-T3-15. Please refer to your testimony, revised December 20, 2004, at pages 3-5, referring to the section entitled "B. Per-Shipment Costs."

- (a) Please confirm that Package Service packages, parcels and irregular pieces not included in the weekly PFS Priority Mail reshipment piece will incur costs associated with labeling, weighing and rating in order for such Package Service pieces to be reshipped as Priority Mail, postage due. If you do not confirm, please explain.
- (b) Please confirm that your cost model for PFS per-shipment costs does not include any costs associated with preparing for reshipment as Priority Mail, postage due, those Package Service packages, parcels and irregular pieces not included in the weekly PFS Priority Mail reshipment piece. If you do not confirm, please explain.
- (c) Please estimate the cost of preparing for reshipment as Priority Mail postage due those Package Service packages, parcels and irregular pieces not included in the weekly PFS Priority Mail reshipment piece.

- (a) I can confirm that Package Services pieces that require a scan at delivery or that do not fit in the PFS package would be shipped postage due Priority Mail. As such, I can confirm that such pieces would often need to be weighed and rated to determine how much postage would be due, as well as relabeled..
- (b) Confirmed.
- (c) I do not have sufficient information to estimate how much weekly PFS cost, if any, would result from preparing Package Services pieces for reshipment as Priority Mail. As witness Koroma notes, it is expected that PFS customers often will have Package Services pieces sent directly to temporary addresses, thus reducing the flow of such pieces through primary delivery units. Moreover, reshipped Package Services pieces would be separately paying Priority Mail postage.

OCA/USPS-T3-16. Please refer to the electronic version of the appendix attached to your testimony, revised December 20, 2004, at page 2. The "Labor Cost: Clerk Collecting Fees and Postage" is \$0.020, which is inflated from the cost figure \$0.018342 taken from "LR-J-69 Table 5.2.5.4 Cell N8."

- (a) Please confirm that the cost figure \$0.018342 is based upon an estimate of 0.0005 Hours/Piece for "Collection of Postage Due" for UAA Mail Forwarded with Postage Due and Delivered at Call Window. If you do not confirm, please explain.
- (b) Please confirm that 0.0005 Hours/Piece represents 1.8 seconds per piece (3,600 seconds * 0.0005) for "Collection of Postage Due" for UAA Mail Forwarded with Postage Due and Delivered at Call Window. If you do not confirm, please explain.
- (c) Please explain the rationale for using the cost of \$0.020 (inflated from the cost figure \$0.018342) from "Collection of Postage Due" for UAA Mail Forwarded with Postage Due and Delivered at Call Window, based upon 1.8 seconds, as a proxy for "Clerk Collecting Fees and Postage" from a PFS customer.

- (a) Confirmed.
- (b) Confirmed.
- (c) The cost of \$0.020 is not the entire cost of collecting fees and postage from a PFS customer. That \$0.020 figure is used to capture additional costs related to determining how much postage needs to be collected, which is not included in the post office box transaction proxy used for Window Acceptance of Premium Forwarding Service Applications. Please see my response to OCA/USPS-T3-2.

OCA/USPS-T3-17. Please refer to the electronic version of the [A]ppendix attached to your testimony, revised December 20, 2004, at page 3, and the "Piggyback Factor for All Other Special Services" of 1.356. Also, please refer to OCA/USPS-T3-12 and your response thereto. Please explain the rationale for using the Piggyback Factor for city delivery carriers for Total Special Services, rather than the Piggyback Factor of 1.465 for window service for Post Office Box.

RESPONSE:

A Piggyback Factor for "Total Special Services" of 1.356 is more closely related to the operations of a carrier handling the repackaging process than is the Piggyback Factor of 1.465 for Post Office Box window service.

OCA/USPS-T3-18. Please refer to the electronic version of the appendix attached to your testimony, revised December 20, 2004, at page 3, Note 2, which cites "Special Studies Field Observation." Also, please refer to your testimony at page 4, lines 16-18, where it states "During field observations of the current, informal reshipment services, that were conducted at small, medium, and large delivery units, I found that the time required to perform these tasks is about two minutes."

- (a) On line 18, what tasks are being referred to in the phrase "these tasks?" What type of postal employee performed each of "these tasks?" Please explain.
- (b) How many field observations were conducted of the "tasks" referred to in subpart (a), above? How many observations were made of the "tasks" referred to in subpart (a), above, at each of the small, medium, and large delivery units? How long did you observe the "tasks" referred to in subpart (a), above, at each of the small, medium, and large delivery units?
- (c) What classes of mail were associated with the "tasks" referred to in subpart (a), above? Specifically, were there letter-shaped and flat-shaped pieces, as well as packages, parcels, and irregular pieces associated with the "tasks" referred to in subpart (a), above? If so, from what classes of mail? How were the letter-shaped and flat-shaped pieces, packages, parcels, and irregular pieces handled? Were any of the packages, parcels, and irregular pieces handled separately from letter-shaped and flat-shaped pieces? Please explain.
- (d) Please describe your observations of the "tasks" referred to in subpart (a), above. Did you observe any problems, delays or difficulties in carrying out the "tasks" referred to in subpart (a), above? Please explain.
- (e) Please provide all notes, memoranda, summaries or other documents prepared by you or other postal personnel as a result of your field observations.

- (a) The tasks I observed include gathering of accumulated mail from a designated location, placing the mail in the PFS container, closing the container, applying the label and depositing it in the outgoing stream. The tasks were performed by a clerk or a carrier depending on the local Snowbird procedures.
- (b) Please see my response to OCA/USPS-T3-5. The PFS tasks I observed took an average of approximately two minutes to complete.

- (c) The shapes of mail I observed included letters, flats, and small parcels that fit into the PFS container. First-Class Mail, Periodicals and Standard Mail, were all represented.
- (d) I did not observe any problems, delays or difficulties in carrying out the tasks identified in part (a).
- (e) The following notes were made by me during or shortly after my field observations, typed up, and edited to avoid identification of particular facilities, for inclusion in this response.

On 10/30/03, I visited a carrier annex in Minnesota that has 48 city routes and carriers, and 8 clerks. 42 routes for another location were also housed here temporarily as the lease in their building had expired. Two forwarding service observations were conducted at this facility.

On the same date I also visited a really small Minnesota office that has five employees, including two rural carriers and one window clerk (a small retail unit). One forwarding service observation was conducted at this facility.

On 11/19/03, I visited an office in Connecticut that has 17 rural routes and 2 city routes, and 7 clerks. Two observations were conducted at this facility.

On the same date, I visited another Connecticut office that has three window terminals with 3 rural and 13 city routes. Two forwarding service observations were conducted in this facility.

On 12/15/03, I visited a post office in Virginia that has close to 46 routes, and 20 clerks, with 2 Customer Service Barcode Sorters (CSBCS). Two forwarding service observations were conducted at this facility.

On 12/15/03, I also visited another office in Virginia that only serves post office box customers; no carriers are based in the office. One forwarding service observation was conducted at this facility.

The following summarizes my observations.

Premium Forwarding Service Field Observations

Date	Post Office	Transaction(Seconds)
10/30/2003	MN Office #1	118.12
10/30/2003	MN Office #1	120.15
10/30/2003	MN Office #2	119.36
11/19/2003	CT Office #1	119.25
11/19/2003	CT Office #1	119.31
11/19/2003	CT Office #2	118.55
11/19/2003	CT Office #2	119.44
12/15/2003	VA Office #1	119.21
12/15/2003	VA Office #1	119.36
12/15/2003	VA Office #2	120.12

OCA/USPS-T3-19. Please refer to the "Premium Forwarding Service Cost Analysis," appended to your testimony, at 2, n. 6. Note 6 reads "LR-J-69 Table 5.2.5.4 N8." Table 5.2.5.4 displays "Cost Per Piece for UAA Mail Forwarded with Postage Due and Delivered at Call Window." Row 2, Column A, of Table 5.2.5.4 presents the "Hours/Piece" for "Collection of Postage Due" at a Call Window."

- (a) Please confirm that a Call Window is generally used by business customers whose mailings tend to involve multiple pieces of mail, sometimes a very large volume of mail. See e.g., USPS-LR-J-172, Office of Inspector General Report Number AC-AR-01-001, at 1 (footnote omitted): "Many high-volume mail customers purchase post office box service, which separates mail by post office box number and allows mail pick-up during the hours the box lobby is open. When mail volume exceeds the largest installed box size, caller service enables the customer to pick up mail at a post office call window." If you do not confirm, please explain.
- (b) Please provide the documentation and results of the 2-week study that are the basis of the hours/piece figure that you use, i.e., the study described in Table 5.2.5.4, note 1.
- (c) What was the average transaction time (hours/transaction) time observed in the cited study for collection of postage due at the call window?
- (d) What was the average number of pieces per transaction for collection of postage due at the call window observed in the study?

RESPONSE:

- (a) Not Confirmed. While it is true that the call window is often used by business customers whose mailings tend to involve multiple pieces of mail, the call window is also used by the general public to pick up items for which notices of attempted delivery were left, including mail requiring collection of postage due. In addition, post office box customers often interact with call window personnel to sign for and pick up accountable items including postage due items and oversized packages that would not fit into their post office boxes.
- (b-d) Please refer to appendix A of library reference LR-I-82/R2000-1 for the two week study survey documentation, available on the Commission's website at:

http://www.prc.gov/docs/22/22050/USPS-LR-I-82.pdf

Results of the two week study including transaction time and pieces can be found on Form 2 of library reference LR-J-69/R2001-1, available on the Commission's website at: http://www.prc.gov/docs/29/29909/USPS-LR-J-69.xls

OCA/USPS-T3-20. Please refer to the "Premium Forwarding Service Cost Analysis," appended to your testimony, at 2, n. 7. Note 7 cites LR-J-69 Table 5.2.1.1, Row 2, for the "Hours/Piece" to process Change —of-Address cards. In turn, note 4 of Table 5.2.1.1 references Handbook M-39, "Management of Delivery Services Handbook," for the 2 minutes to process Change-of-Address cards. Please provide a copy of the most recent version of Handbook M-39.

RESPONSE:

Item 12 in the attached copy of Exhibit 222.214a(4) from the most recent version of Handbook M-39 provides the two minutes per change of address card time I use in my cost analysis.

Exhibit 222.214a(4) Time Allowances for Carrier Office Work

TIME ALLOWANCES FOR CARRIER OFFICE WORK

Form [*] Line N		Pieces Per Minute 1-Trip 2-Trip				
1	Routing letter-size mail.					
2	Routing all other size mail. (Use Notice 26, Maximum Time Allowance					
	for Routing Mail, to convert pieces to minutes.)	8 8				
		Minutes				
4	Strapping mail in bundles or placing in trays, preparing relays and placing mail into satche 70 pieces regardless of character (minimum allowance 3 minutes). Strapping mail in bund markup at computerized forwarding unit. Lines 1-2-3 combined mail volume (strapping our markup pieces) is used in determining time allowance at 70 pieces per minute	dles for it pieces and				
8	For each 10 pieces of all classes of mail separated for forwarding or return					
9	Periodicals marked up (for each 2 pieces handled for forwarding or return)					
10	For each Form 3579, Undeliverable Periodical, Standard A & B or Controlled Circulation I					
11	For each 4 pieces marked up (mail marked Deceased, Temporarily Away, Refused, Vaca mail of obvious value) or No Mail Receptacle).	,				
12	For each change of address, including Form 3546, recorded on Forms 1564-B and 3982.					
13	Insured receipts turned in.					
14	Registered, Certified, COD, Express Mail, Customs and Postage-Due; Keys, Form 3868, returning funds or receipts, and for partial completion of Form 3849 (name or address for Base minimum allowance is 6 minutes.	signing for, identification).				
15	Withdrawing mail where applicable (from distribution cases, trays, sacks, and/or hampers Base minimum allowance is 5 minutes.).				
16	Sequencing and collating by-pass mail. (Representative time in minutes will be allowed fo work function.)					
17	Strapping out time (when mail must be placed in order of delivery) see 922.51d. (Representative time in minutes will be allowed for the work function.)					
18	Break (local option).					
19	Vehicle inspection see 922.51f. Base minimum allowance is 3 minutes	*				
20	Personal needs, etc. (Time allowances are printed on the form for each trip, and must not be changed.)					
21	Office work not covered by form. (Work functions must be identified and approved as being necessary and of a continuing nature.) (Use "Comments" section.) Base minimum allowance is 9 minutes.					
22	Waiting for mail (office) and all other office activities not performed on a continuing basis which are excluded in computing net office time. (Use "Comments" section.)					
23	Counting Mail and filling out Form 1838-C worksheet.					
Note:	For piece items, grant the next higher allowance in minutes for fractional units. Use actual times for Lines 14 through 19 and Lines 21 through 23 when those functions a	re performed.				
	* Computing Standard Office Time Under Columns (e), (f), and (g) on Form 1838:					
	If the actual time for each of Lines 14, 15, 19, and 21 is less than the base minimum and to performs the function the base minimum must be entered for the Line Item in the appropriation. If the actual time exceeds the base minimum, an adjustment to that time cannot be which is less than the base minimum.	ate				

POSTAL RATE COMMISSION DOCKET NO. MC2005-1 EXPERIMENTAL PREMIUM FORWARDING SERVICE

I, Abdulkadir M. Abdirahman, hereby declare under penalty of perjury that:

The interrogatory responses filed under my name, and designated for inclusion in the record of this docket, were prepared by me or under my direction; and

Were I to respond orally to the questions appearing in the interrogatories, my answers would be the same.

Abdulkadir M. Abdirahman

3 /17 /05 Date

J. ... V

USPS-T-3

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BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

EXPERIMENTAL PREMIUM FORWARDING SERVICE

Docket No. MC2005-1

DIRECT TESTIMONY
OF
ABDULKADIR M. ABDIRAHMAN
ON BEHALF OF THE
UNITED STATES POSTAL SERVICE

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AUTOBIOGRAPHICAL SKETCH

My name is Abdulkadir M. Abdirahman. In Docket No. R2001-1, I testified before the Postal Rate Commission on the costing of the Special Services. I have been an economist for the Special Studies Division of Corporate Financial Planning since 2001. I began working for the Postal Service in 1989 as a letter carrier and later became a distribution and retail window clerk. In that capacity, I was responsible for explaining and selling to postal customers a variety of postal products including the different kinds of Special Services that the Postal Service offers.

In the private sector, I worked as an economic consultant for Amal Express International, an export and import firm based in Dubai, United Arab Emirates. In that capacity, I conducted market feasibility cost studies and developed labor cost estimates concerning livestock exports. I have also performed consulting work for the United Nations on issues related to peacekeeping deployments in Africa.

I earned a Bachelor's Degree in Management from National Louis
University in Evanston, Illinois in 1990 and a Masters Degree in International
Transactions with a concentration in International Economics in 1996 from
George Mason University in Fairfax, Virginia.

I. PURPOSE OF TESTIMONY

The purpose of this testimony is to provide witness Koroma (USPS-T-4)

- with cost data to support the Premium Forwarding Service (PFS) pricing
- 4 structure.

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II. GUIDE TO SUPPORTING DOCUMENTS

In addition to this testimony, I have provided an appendix which presents

- 8 my detailed cost analyses and spreadsheets. I do not otherwise have any
- 9 workpapers.

I have relied upon the following Docket No. R2001-1 library reference in preparing my cost analyses: USPS LR-J-69, Cost Model Supporting USPS-T-42.

III. BACKGROUND

PFS is a reshipment service proposed by the Postal Service that would be offered to customers who travel from their primary addresses for periods ranging from two weeks to one year. PFS provides for the weekly reshipment of customers' mail, via Priority Mail[®], from their primary addresses to temporary ones. Substantially all classes of mail would be reshipped this way; however, mail requiring a signature or scan upon delivery, and some packages, would be reshipped separately, as described in witness Cobb's testimony (USPS-T-1). PFS customers may not make any simultaneous use of any traditional forwarding option (temporary or permanent). Witness Cobb describes how PFS works in greater detail.

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IV. PFS COSTING METHODOLOGY

I developed cost estimates based upon witness Cobb's product definition.

All of the costs for PFS are volume variable. The cost analysis presented in this

testimony estimates the average unit cost of the proposed product. Costs are

separated into two cost categories: set-up costs and per-shipment costs. The

methodology used for each cost category is described in more detail below.

A. Set-up Costs

Set-up costs are the one-time costs associated with a single customer's enrollment and registration for PFS. Such costs include the processing of the PFS customer application, the collection of postage and fees, and the recordation of customer information into the PFS Master Log. The PFS costing model assumes that most of the set-up functions will be performed by a clerk, and so clerk costs are used.

When a customer completes a PFS application and presents it to her local delivery United States Post Office[®], a clerk would process the application by checking for accuracy and completeness, verifying the identity of the applicant, confirming the start and end dates of PFS, and ensuring that the customer has no active forwarding order in effect. The processing of an application would be similar to the processing of a Post Office box application, given that the same nature and quantity of information is required. Thus, the transaction time for processing a Post Office box application, including most aspects of collecting payment, serves as an excellent proxy.

After verifying an application, the clerk would collect all fees plus postage since a customer prepays for the entire PFS service period. The clerk would explain the composition of the required sum and collect it. This process would be similar to the collection of postage due at a call window; therefore, the collection of postage due at a call window serves as a good proxy for capturing the additional costs for PFS prepayment.

The final step in the set-up process is the recordation of customer information into the PFS Master Log. The clerk would enter each customer's reshipping information into a Master Log, which would list all of that office's PFS customers. The cost of a clerk processing Change-of-Address cards was used as a proxy for the cost of processing the Master Log, given that the amount of information entered in both processes is similar.

The total set-up costs, consisting of the sum of the three proxies identified above, are estimated to be \$5.58 for each PFS customer. Page 2 of the appendix shows this calculation in detail, and also identifies the sources behind each of the proxy cost numbers.

B. Per-Shipment Costs

Per-shipment costs are the costs associated with mail separation, repackaging, and dispatch. The PFS costing model conservatively assumes that most of the per-shipment-related activities are performed by the carrier. While a clerk may perform some of the in-office functions associated with the preparation

of PFS mail for shipment, the higher labor rates for carriers are used for all activities.

Per-shipment costs begin with mail separation. Generally, PFS activities will be performed at the delivery unit serving the customer's permanent address by the customer's carrier, or designated clerk. Throughout the week, during the casing process, the carrier would separate the PFS customer's mail and hold it until it is reshipped. The cost of separating the mail of a customer when mail is being held or forwarded was used as a proxy for the mail separation cost of PFS mail because the activities will be similar.

Once per week, the carrier would gather the PFS customer's held mail, place it into and label a Priority Mail box, and enter it into the outgoing Priority Mail stream. The carrier would then update the PFS Tracking Log. The PFS Tracking Log is used to inform the carrier of the receipt of a PFS application and the initiation of PFS service, to ensure that reshipments are processed and mailed every Wednesday, and to collect information pertinent to the PFS experiment. During field observations of the current, informal reshipment services, that were conducted at small, medium, and large delivery units, I found that the time required to perform these tasks is about two minutes.

As described in witness Cobb's testimony, the Postal Service would provide and complete the necessary PFS address labels, which will be maintained with the PFS applications at a designated location in the delivery unit. The cost of a carrier filling out one section of a Change-of Address card was

used as a proxy for the cost of completing the PFS label, given that the quantity and nature of information would be comparable.

The per-shipment costs, calculated by using the proxies and observations described above, are estimated to be \$2.63, not including the postage associated with Priority Mail pieces. Please see the appendix, page 3.

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V. Conclusion

I have estimated the costs for providing Premium Forwarding Service. I understand that witness Koroma (USPS-T-4) proposes two fees, one for enrolling a customer and the other for each PFS shipment. My cost estimates indicate that the former costs \$5.58, and the latter \$2.63. Cost elements and their sources are documented in the appendix to this testimony.

Revised 12/20/04

Summary of PFS Estimated Costs

Premium Forwarding Cost Estimates	
Set-Up Cost ¹ :	\$ 5.584
Per-Shipment Cost ² :	\$ 2.626

¹ Premium Forwarding Service Cost Analysis, page 2.

Revised 12/20/04

One Time Set-Up Cost

Calculation of Unit Cost of Setting up Premium Forwarding Service

- 3.912 Labor Cost: Window Acceptance of Premium Forwarding Service Applications
 0.020 Labor Cost: Clerk Collecting Fees and Postage
 1.652 Labor Cost: Back Office Set-Up
- \$ 5.584 Total Unit Cost Set-Up Cost

Labor Cost: Window Acceptance of Customer Request for Premium Forwarding Service Application

- 0.052 Labor Time (hours) 1
- \$ 33.741 Wage Rate for Window Service Clerk 2
 - 1.073 Overheard Cost Factor 3
 - 1.410 Waiting Time Factor 4
- 1,465 Piggyback Factor for Window Service 5
- \$ 3.912

Labor Cost: Clerk Collecting Fees and Postage

\$ 0.020 Collection of Postage Due at Call Window Was Used as Proxy 6

Labor Cost: Back Office Set-Up

\$ 1.652 PFS Back Office Set-Up 7 (cost of processing Change-of-Address card used as proxy)

Notes:

- ¹ See 1997 Window Transaction Time Study, USPS LR-H-167, p. 160 (=188.32 sec. / 60 / 60) Box Rental
- ² Wage Rate Input Sheet (Page 4 of this Appendix)
- ³ Docket No. R2001-1, USPS-T-11, WP B3 (USPS-LR-57, workpapb.zip,Cs03.xls)W/3.2.1. Calculated as :
- 1+((line 55, col. 1) / (line72, col. 1-line 55, col 1)). Alternatively, 1+Cell C64/(Celt C81-Cell C64)
- ⁴ Docket No R2001-1, USPS-T-11, WP B3 (USPS-LR-57, workpapb.zip,Cs03.xls)W/3.2.1. Calculated as:
- 1+((line 67, col.9) / (line 50, col. 19-line 67, col 9)). Alternatively, 1+Cell K76/(Cell U59-Cell K76)
- ⁵ Docket No. R2001-1, USPS-T-15, Attachment 10
- ⁶ LR-J-69 Table 5.2.5.4 Cell N8, adjusted for inflation to FY 2005 on page 4 of this appendix.
- ⁷ LR-J-69 Table 5.2.1.1 Cell N8, adjusted for inflation to FY 2005 on page 4 of this appendix. Clerk is allowed two minutes per piece.

Revised 12/20/04

Per Shipment Cost

- \$ 0.204 Labor Cost: Mail Separation 1.546 Labor Cost: Repackaging 0.826 Labor Cost: Carrier Filling out the Label 0.050 Label Cost
- \$ 2.626 Total Per Shipment Cost

Labor Cost: Mail Separation

\$ 0.034 Cost of Carrier Preparation of Forwarded and Hold Mail Used as Proxy ¹
 X 6 Days per Week that Separations Occur
 \$ 0.204 Total

Labor Cost: Repackaging

- 0.033 Labor Time (hours) ²
 \$ 34.200 Wage Rate for Carrier ³

 1.356 Piggyback Factor for All Other Special Services⁴
 \$ 1.546
- \$ 0.826 Labor Cost: Carrier Filling out the Label 5

Material Costs

\$ 0.05 Label Cost 6

Notes:

¹ LR-J-69 Table 5.1.1 Cell J7, adjusted for inflation to FY 2005 on page 4 of this appendix.

² Special Studies Field Observation

³ Wage Rate Sheet (page 4 of this Appendix)

⁴ Docket No. R2001-1, USPS-T-15, Attachment 10

⁵ LR-J-69 Table 5.2.1.1 Cell N8, adjusted for inflation to FY 2005 on page 4 of this appendix. Half of the COA processing cost \$1.652/2= \$0.826.

⁶ USPS Packaging (Headquarters)

Wage Rate and Cost Input Sheet

Revised 12/20/04

1 Clerk Wage Rate 2 Carrier Wage Rate

				USPS Escalation
Actual 04		Inf	ated 05	Factor
\$	32.443	\$	33.741	4.0%
s	32.884	s	34.200	4.0%

USPS Escalation Factor*

4.0%

4.0%

4.0%

Source:

National Payroll Hour Summary Report, Pay Period-FY 21-2004

Source:

National Payroll Hour Summary Report, Pay Period-FY 21-2004

0.033 \$

0.034

at page 40

TY 03 Inflated 04 Inflated 05
\$ 0.018 \$ 0.019 \$ 0.020
\$ 1.528 \$ 1.589 \$ 1.652

Postage Due Collection At Call Window Cost

2
Processing of COA Cost

Carrier Preparation Cost

0.031 \$

¹ LR-J-69 Table 5.2.5.4 Cell N8, inflated to 2005 costs using the escalation factor.

 $^{^2\,}$ LR-J-69 Table 5.2.1.1 Cell N8, inflated to 2005 costs using the escalation factor.

 $^{^3}$ LR-J-69 Table 5.1.1 Cell J7, inflated to 2005 costs using the escalation factor.

^{*} USPS Escalation Factor = 4%, in accord with Docket No. MC2004-4

USPS-T-3

BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

EXPERIMENTAL PREMIUM FORWARDING SERVICE

Docket No. MC2005-1

DIRECT TESTIMONY
OF
ABDULKADIR M. ABDIRAHMAN
ON BEHALF OF THE
UNITED STATES POSTAL SERVICE

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AUTOBIOGRAPHICAL SKETCH

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My name is Abdulkadir M. Abdirahman. In Docket No. R2001-1, I testified before the Postal Rate Commission on the costing of the Special Services. 1 3 have been an economist for the Special Studies Division of Corporate Financial 4 Planning since 2001. I began working for the Postal Service in 1989 as a letter 5 carrier and later became a distribution and retail window clerk. In that capacity, I 6 was responsible for explaining and selling to postal customers a variety of postal 7 products including the different kinds of Special Services that the Postal Service 8 offers. 9

In the private sector, I worked as an economic consultant for Amal Express International, an export and import firm based in Dubai, United Arab Emirates. In that capacity, I conducted market feasibility cost studies and developed labor cost estimates concerning livestock exports. I have also performed consulting work for the United Nations on issues related to peacekeeping deployments in Africa.

I earned a Bachelor's Degree in Management from National Louis University in Evanston, Illinois in 1990 and a Masters Degree in International Transactions with a concentration in International Economics in 1996 from George Mason University in Fairfax, Virginia.

I. PURPOSE OF TESTIMONY

The purpose of this testimony is to provide witness Koroma (USPS-T-4)

- 3 with cost data to support the Premium Forwarding Service (PFS) pricing
- 4 structure.

II. GUIDE TO SUPPORTING DOCUMENTS

In addition to this testimony, I have provided an appendix which presents

my detailed cost analyses and spreadsheets. I do not otherwise have any

workpapers.

I have relied upon the following Docket No. R2001-1 library reference in preparing my cost analyses: USPS LR-J-69, Cost Model Supporting USPS-T-42.

III. BACKGROUND

PFS is a reshipment service proposed by the Postal Service that would be offered to customers who travel from their primary addresses for periods ranging from two weeks to one year. PFS provides for the weekly reshipment of customers' mail, via Priority Mail[®], from their primary addresses to temporary ones. Substantially all classes of mail would be reshipped this way; however, mail requiring a signature or scan upon delivery, and some packages, would be reshipped separately, as described in witness Cobb's testimony (USPS-T-1). PFS customers may not make any simultaneous use of any traditional forwarding option (temporary or permanent). Witness Cobb describes how PFS works in greater detail.

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4 testimony estimates the average unit cost of the proposed product. Costs are

separated into two cost categories: set-up costs and per-shipment costs. The

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A. Set-up Costs

Set-up costs are the one-time costs associated with a single customer's enrollment and registration for PFS. Such costs include the processing of the PFS customer application, the collection of postage and fees, and the recordation of customer information into the PFS Master Log. The PFS costing model assumes that most of the set-up functions will be performed by a clerk, and so clerk costs are used.

When a customer completes a PFS application and presents it to her local delivery United States Post Office®, a clerk would process the application by checking for accuracy and completeness, verifying the identity of the applicant, confirming the start and end dates of PFS, and ensuring that the customer has no active forwarding order in effect. The processing of an application would be similar to the processing of a Post Office box application, given that the same nature and quantity of information is required. Thus, the transaction time for processing a Post Office box application, including most aspects of collecting payment, serves as an excellent proxy.

After verifying an application, the clerk would collect all fees plus postage since a customer prepays for the entire PFS service period. The clerk would explain the composition of the required sum and collect it. This process would be similar to the collection of postage due at a call window; therefore, the collection of postage due at a call window serves as a good proxy for capturing the additional costs for PFS prepayment.

The final step in the set-up process is the recordation of customer information into the PFS Master Log. The clerk would enter each customer's reshipping information into a Master Log, which would list all of that office's PFS customers. The cost of a clerk processing Change-of-Address cards was used as a proxy for the cost of processing the Master Log, given that the amount of information entered in both processes is similar.

The total set-up costs, consisting of the sum of the three proxies identified above, are estimated to be \$5.58 for each PFS customer. Page 2 of the appendix shows this calculation in detail, and also identifies the sources behind each of the proxy cost numbers.

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of PFS mail for shipment, the higher labor rates for carriers are used for all activities.

Per-shipment costs begin with mail separation. Generally, PFS activities will be performed at the delivery unit serving the customer's permanent address by the customer's carrier, or designated clerk. Throughout the week, during the casing process, the carrier would separate the PFS customer's mail and hold it until it is reshipped. The cost of separating the mail of a customer when mail is being held or forwarded was used as a proxy for the mail separation cost of PFS mail because the activities will be similar.

Once per week, the carrier would gather the PFS customer's held mail, place it into and label a Priority Mail box, and enter it into the outgoing Priority Mail stream. The carrier would then update the PFS Tracking Log. The PFS Tracking Log is used to inform the carrier of the receipt of a PFS application and the initiation of PFS service, to ensure that reshipments are processed and mailed every Wednesday, and to collect information pertinent to the PFS experiment. During field observations of the current, informal reshipment services, that were conducted at small, medium, and large delivery units, I found that the time required to perform these tasks is about two minutes.

As described in witness Cobb's testimony, the Postal Service would provide and complete the necessary PFS address labels, which will be maintained with the PFS applications at a designated location in the delivery unit. The cost of a carrier filling out one section of a Change-of Address card was

- used as a proxy for the cost of completing the PFS label, given that the quantity and nature of information would be comparable.
- The per-shipment costs, calculated by using the proxies and observations described above, are estimated to be \$2.63, not including the postage associated with Priority Mail pieces. Please see the appendix, page 3.

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V. Conclusion

I have estimated the costs for providing Premium Forwarding Service. I understand that witness Koroma (USPS-T-4) proposes two fees, one for enrolling a customer and the other for each PFS shipment. My cost estimates indicate that the former costs \$5.58, and the latter \$2.63. Cost elements and their sources are documented in the appendix to this testimony.

Premium Forwarding Service Cost Analysis Page 1

Summary of PFS Estimated Costs

Premium Forwarding Cost Estimates		
Set-Up Cost¹:	₩	5.584
Per-Shipment Cost ² :	€ >	2.626

¹ Premium Forwarding Service Cost Analysis, page 2.

One Time Set-Up Cost

Calculation of Unit Cost of Setting up Premium Forwarding Service

0.020 Labor Cost: Clerk Collecting Fees and Postage

52 Lahor Cost: Back Office Set-Up

1.652 Labor Cost: Back Office Set-Up

\$ 5.584 Total Unit Cost Set-Up Cost

Labor Cost: Window Acceptance of Customer Request for Premium Forwarding Service Application

0.052 Labor Time (hours) / \$33.741 Wage Rate for Window Service Clerk ²

1.073 Overheard Cost Factor

* notos Herni T politis W 014.1

² eoivreS wohnit for Window Service

\$ 3.912

Labor Cost: Clerk Collecting Fees and Postage

\$ 0.020 Collection of Postage Due at Call Window Was Used as Proxy 8

Labor Cost: Back Office Set-Up

\$ 1.652 PFS Back Office Sel-Up ' (cost of processing Change-of-Address card used as proxy)

Notes:

See 1997 Window Transaction Time Study, USPS LR-H-167, p. 160 (=188.32 sec. / 60 / 60) Box Rental

Vage Rate Input Sheet (Page 4 of this Appendix)

³ Docket No. R2001-1, USPS-T-11, WP B3 (USPS-LR-57, workpapb.zip,Cs03.xis)W/3.2.1. Calculated as:

1+((line 55, col. 1) / (line72, col. 1-line 55, col 1)). Alternatively, 1+Cell C64/(Cell C61-Cell C64)

Occket No R2001-1, USPS-T-11, WP B3 (USPS-LR-57, workpapb.zip, Cs03.xis)W/3.2.1. Celculated as:

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1+((line 67, col.9) / (line 50, col. 19-line 67, col 9)). Alternatively, 1+Cell K76/(Cell U59-Cell K76) 5 Docket No. R2001-1, USPS-T-15, Attachment 10

⁸ LR-J-69 Table 5.2.5.4 Cell N8, adjusted for inflation to FY 2005 on page 4 of this appendix.

T LR-J-69 Table 5.2.1.1 Cell N8, adjusted for inflation to FY 2005 on page 4 of this appendix.

Clerk is allowed two minutes per piece.

Revised 12/20/04

Per Shipment Cost

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    0.204 Labor Cost: Mail Separation
    1.546 Labor Cost: Repackaging
    0.826 Labor Cost: Carrier Filling out the Label
    0.050 Label Cost
    2.626 Total Per Shipment Cost
```

Labor Cost: Mail Separation

\$ 0.034 Cost of Carrier Preparation of Forwarded and Hold Mail Used as Proxy ¹
 X 6 Days per Week that Separations Occur
 \$ 0.204 Total

Labor Cost: Repackaging

0.033 Labor Time (hours) ²

\$ 34.200 Wage Rate for Carrier ³

1.356 Piggyback Factor for All Other Special Services⁴

\$ 1.546

\$ 0.826 Labor Cost: Carrier Filling out the Label ⁵

Material Costs

\$ 0.05 Label Cost 6

Notes:

¹ LR-J-69 Table 5.1.1 Cell J7, adjusted for inflation to FY 2005 on page 4 of this appendix.

² Special Studies Field Observation

³ Wage Rate Sheet (page 4 of this Appendix)

⁴ Docket No. R2001-1, USPS-T-15, Attachment 10

⁵ LR-J-69 Table 5.2.1.1 Cell N8, adjusted for inflation to FY 2005 on page 4 of this appendix. Half of the COA processing cost \$1.652/2= \$0.826.

⁶ USPS Packaging (Headquarters)

Premium Forwarding Service Cost Analysis Page 4 Wage Rate and Cost Input Sheet

Revised 12/20/04

Clerk Wage Rate

Carrier Wage Rate

				USPS
				Escalation
Actual 04		lof	lated 05	Factor*
\$	32.443	\$	33,741	4.0%
\$	32.884	\$	34.200	4.0%

Source: 2 Source: National Payroll Hour Summary Report, Pay Period-FY 21-2004 at page 27

National Payroll Hour Summary Report, Pay Period-FY 21-2004 at page 40

USPS Escalation Factor* TY 03 Inflated 04 Inflated 05 0.018 \$ 0.019 \$ 0.020 4.0% 1.528 \$ 1.589 \$ 1.652 4.0% 0.031 0.033 \$ 0.034 4.0%

Postage Due Collection At Call Window Cost

2
Processing of COA Cost

3 Carrier Preparation Cost

¹ LR-J-69 Table 5.2.5.4 Cell N8, inflated to 2005 costs using the escalation factor.

 $^{^2\,}$ LR-J-69 Table 5.2.1.1 Cell N8, inflated to 2005 costs using the escalation factor.

 $^{^3}$ LR-J-69 Table 5.1.1 Cell J7, inflated to 2005 costs using the escalation factor.

^{*} USPS Escalation Factor = 4%, in accord with Docket No. MC2004-4

POSTAL RATE COMMISSION DOCKET NO. MC2005-1 EXPERIMENTAL PREMIUM FORWARDING SERVICE

I, Abdulkadir M. Abdirahman, hereby declare under penalty of perjury that:

The Direct Testimony of Abdulkadir M. Abdirahman on Behalf of the United States Postal Service, denominated USPS-T-3, was prepared by me or under my direction; and

Were I to give this testimony orally before the Commission, it would be the same.

Abdulkadir M. Abdirahman

3/17/05

United States Postal Service

Arnetta L. Cobb (USPS-T-1)

DBP/USPS-T1-1. On line 11 of page 1 of your testimony, you indicate that this service is for sending mail from a primary address to a temporary address.

- (a) Would a customer be able to use the service if they make a permanent move?
- (b) If not, why not?

RESPONSE:

- (a) Yes, but it is highly unlikely customers would use PFS for a permanent move. It would be less costly for customers to file a permanent Change of Address (PS Form 3575) and notify mailers of their new permanent address. Customers cannot enroll in Premium Forwarding if an active Change of Address Order is on file, and vice versa.
- (b) N/A

DBP/USPS-T1-2. On line 19 of page 1 of your testimony, you indicate that a customer would receive substantially all of their mail in one package.

- (a) What types of containers does the postal service contemplate using in this service (please provide a complete listing including the type of container {e.g. envelope, box, etc.}, dimensions, empty weight of the container, and the maximum weight of the container if it were filled with paper)?
- (b) If the postal service employee feels that the volume of mail would warrant two or more containers, would that be permitted?
- (c) if not, why not?
- (d) If so, would the charge still be the same?
- (e) What will happen if the volume of mail is too large for the container under the condition where the volume is caused by a large <u>quantity</u> of pieces, none of which could be characterized as a package or parcel?

RESPONSE:

(a) The size of mailing container would vary depending on the makeup and volume of mail. In most instances, the Postal Service would use its existing Priority Mail supplies. Since various paper types have different weights, there is no single weight that would be applicable to any particular paper-filled container. The following links display the apparent full range of Priority Mail envelopes and packages on USPS.com. The respective box numbers that would likely be used in PFS are: 0-1092, 0-BOX4, 0-BOX7, 0-1095, 0-1096L, 0-1096S, 0-1097, 0-1098S, and 0-1098M. The envelopes that would likely be used in PFS include: EP 14, EP 14-B, EP 14-H, and EP 14-F.

http://shop.usps.com/cgi-

<u>bin/vsbv/postal_store_non_ssl/display_products/productCategory.jsp?cat=Business+Use&prodCat=/Shipping+Supplies/Business+Use/2.+Priority+Mail</u>

http://shop.usps.com/cgi-

bin/vsbv/postal store non ssl/display products/productCategory.jsp?prodCat=/Shipping%20Supplies/Business%20Use/2.%20Priority%20Mail&prodCatCursor=8&passFlag=2

http://shop.usps.com/cgi-

bin/vsbv/postal_store_non_ssl/display_products/productCategory.jsp?cat=Personal+Use&prodCat=/Shipping+Supplies/Personal+Use/2.+Priority+Mail

(b)-(e) An appropriately sized container would be used to reship the customer's mail, provided the mailing meets Postal Service size and weight (70 lbs.) requirements. Parcels would not automatically require use of larger sized containers, since they may or may not be included. If mail volume for a given week exceeds these size and weight requirements, not including parcels, two or more containers would be necessary. PFS is aimed at households and residences, not business customers, with cost estimates assuming a single package; this provides some assurance that the difficulties suggested by the question would not arise. However, PFS is proposed as an experiment, in part to determine whether our expectations regarding volume and weight are fulfilled. As proposed, no change in the per-shipment charge would result if two or more containers are necessary. However, postal officials would possibly consider researching such a situation to determine whether that customer is eligible for PFS.

DBP/USPS-T1-3. On line 21 of page 1 of your testimony, you indicate that the service would be available to an entire delivery address or for one or more individual residents. For purposes of this interrogatory, assume that there are five individuals at the delivery address. A B C D and E.

- (a) Can A subscribe to the service and the mail for B C D and E will be delivered as addressed?
- (b) Can A and B subscribe to the service for forwarding to the same address and at the single price and the mail for C D and E will be delivered as addressed?
- (c) Can A and B subscribe to the service for forwarding to different addresses and at two separate prices and the mail for C D and E will be delivered as addressed?
- (d) Can A B C D and E subscribe to the service for forwarding to two or more different addresses and at the number of prices as there are different addresses?
- (e) Please explain any negative responses.

RESPONSE:

(a)-(e) As described in Section III.A of my testimony, an individual could subscribe to PFS and the mail for the rest of the household would continue to be delivered to the permanent address. Multiple individuals within a household could also fill out individual PFS applications to have their respective mail reshipped, and entire households could have all of the mail for the primary address reshipped. Applications would be for a single individual's mail or for an entire household's mail only. Thus, while households could apply as a unit and pay one fee for the entire household's mail to be reshipped, individuals would apply separately and each would pay the fees. Two or more individuals could not share one application unless doing so involved the entire household's mail.

DBP/USPS-T1-4. On lines 2 and 3 of page 2 of your testimony, you indicate that PFS would only be available to and from domestic addresses. Confirm that mail which originates outside of the United States and arrives at the primary address located in the United States can be forwarded to any address within the United States.

RESPONSE:

As proposed, PFS would provide for the reshipment of all mail addressed to a primary domestic address (whether for one or more, or all, addressees) to a temporary domestic address.

DBP/USPS-T1-5. On lines 4 thru 8 of page 2 of your testimony, you indicate that a similar program has been utilized in some offices and districts.

- (a) Please provide copies of any publicity or instructions that were utilized in your evaluation and determination of the PFS.
- (b) Please provide an estimate of the percentage of informal shipments that had postage paid by official mail vs. payment of postage.
- (c) In those cases where the postage was paid, describe the arrangements that existed.
- (d) What was the regulatory authority that permitted these informal arrangements?
- (e) If PFS is established, will that regulatory authority be removed?

RESPONSE:

- (a) The information I gathered regarding the existing, informal options was through personal contact, primarily two postal officials from field offices that offered these services. As such, I really did not rely upon any "publicity or instructions" that were used in the field. Nevertheless, I am attaching to this response copies of materials from those two employees' offices that illustrate how their informal programs operated.

 (b)–(c) I am unable to estimate the percentage of informal shipments that bore postage or official mail indicia. To my knowledge, no quantitative study of all the field offices' activities has been conducted. Payment for these informal arrangements entailed customer presentation of prepaid Priority Mail Flat Rate envelopes or deposit by a customer of funds in a postal administered account. The latter method permitted weighing and rating of each package.
- (d)–(e) While I am not a lawyer, I know of no "regulatory authority" for these informal arrangements. I do understand that, if implemented, PFS would replace all of the informal arrangements.



PRIORITY RESHIPPING SERVICE

TALKING POINTS FOR THE OFFICE STAFF

TARGET YOUR CUSTOMERS

Clerks: Offer to discuss this service with any individual who asks about temporary address change information. If a customer asks about filing an address change, always be sure to inquire if it is a permanent change OR a temporary change of address. You may need to explain the differences to them. Be clear to the customer about the differences between conventional temporary forwarding and PRIORITY RESHIPPING SERVICE.

Carriers: Mention this service to your customers who have traveled/vacationed/wintered for extended periods of time in the past.

PAYMENT

The customer purchases and applies sufficient PRIORITY MAIL postage to the PRIORITY MAIL envelopes that they address. The \$3.85 rate will cover whatever mail will fit into the normal dimensions of the "as much as you can stuff" PRIORITY MAIL Flat Rate mailer (EP-14F). The \$3.85 rate also covers mailings that weigh up to one pound that are sent in other PRIORITY MAIL mailers such as the PRIORITY MAIL twek mailer (EP-14).

If a customer prefers reshipping by Express Mail, honor their preference. You may offer two options: 1) the customer purchases a sufficient quantity of Express Mail stamps and affixes them to Express Mail flat rate half pound envelopes (EP-13F)

2) the customer opens an Express Mail Corporate Account to pay for their reshipment mailings.

POSSIBLE COMMENT AND SUGGESTED RESPONSE

There is a "free" forwarding system, why should a customer pay for the same thing? There is much confusion internally and externally regarding forwarding procedures, especially as they relate to temporary address change customers. Basically, for those individuals who will be away from their permanent address for extended periods of time, some classes of mail can not be forwarded to them for that entire time.

The PRIORITY RESHIPPING SERVICE option allows the customer to decide whether to receive all classes (or whichever classes they designate) of mail on a continuing basis for as long as they have prepaid the postage. Normally, periodicals (magazines and newspapers) are only forwarded on a temporary forward for 60 days, but many "snowbirds" winter at their temporary address for a longer length of time. Additionally, many small groups' (volunteer associations, religious institutions and non-profit organizations) written correspondence and newsletters are mailed at the Standard Mail rate without any forwarding endorsements. For many of our customers, this mail is important to them and they would like to continue to receive it at their temporary address.

It is true that First Class Mail, Express Mail and Priority Mail ARE entitled to forwarding without any additional charges, but our customers should be made aware of this optional RESHIPPING service. They may conclude that the current forwarding system meets their needs, or they may be delighted to find out that there is a way to receive their magazines, newsletters and other mailings important to them in an uninterrupted fashion by deciding to sign-up for PRIORITY RESHIPPING SERVICE.

Page 1 of 2 ATTA CHMENT PG 1 1/23/2003

03talkot doc

ESTABLISH STANDARD OFFICE PROCEDURES

COMPLETING THE PRIORITY RESHIPPING SERVICE CARD

Clerks: Be sure to review the completed *PRIORITY* RESHIPPING SERVICE card *while the customer is still present* to be sure that the customer's wishes are clearly indicated on the card. No matter how obvious the instructions may seem to you, go over the information with the customer saying, "I would like to review your instructions with you so that I can be sure that the office staff will comply with your directions." Sometimes abbreviations or poor penmanship can create unintended confusion for others.

Carriers: If you assist someone in completing a *PRIORITY* RESHIPPING SERVICE card follow the directions above.

PAYMENT OPTIONS

The customer purchases and applies sufficient *PRIORITY* MAIL postage to the *PRIORITY* MAIL envelopes that they address. The \$3.85 rate will cover whatever mail will fit into the normal dimensions of the "as much as you can stuff" *PRIORITY* MAIL Flat Rate mailer (EP-14F). The \$3.85 rate also covers mailings that weigh *up to one pound* in other *PRIORITY* MAIL mailers such as the *PRIORITY* MAIL tyvek mailer (EP-14).

(If the customer requests it, Express Mail reshipping can be available.)

RESHIPPING OPERATIONS

Clerks: Know where the temporary change of address card (*PRIORITY* RESHIPPING SERVICE card) and the *prepaid* mailers are to be put when they are received from the customer.

Carriers: Be familiar with the *PRIORITY* RESHIPPING SERVICE option selected by your customers and separate/reship their mail accordingly. A customer's participation in this service applies only to the classes of mail indicated by the customer on the *PRIORITY* RESHIPPING SERVICE card. Any class of mail not indicated on the card should be handled according to applicable forwarding procedures for *temporary* address change customers.



PRIORITY RESHIPPING SERVICE

VACATIONING?

"WINTERING" ELSEWHERE?

TRAVELING?

While you're away, keep in touch.



Your local Post Office offers an *optional* method of reshipping your mail for *temporary address change* customers.

ALL your mail can be reshipped directly to you via Priority Mail.

You only pay the postage.

Designed for temporary address change customers.

You create a reshipping plan that meets your needs.

You decide the frequency/day of the week for reshipping your mail.

You decide what mail you want reshipped.

You decide the reshipped address(es)* for each shipment of your mail.

Here's how it works....

Your mail, placed in *PRIORITY MAIL* mailers, is reshipped to you according to your instructions.

You purchase a sufficient quantity of *PRIORITY MAIL* stamps to cover your reshipping needs while you are away. We'll supply enough *PRIORITY MAIL* Flat Rate envelopes to meet your planned needs.

You write the reshipped address on the *PRIORITY MAIL* Flat Rate envelope and affix a *PRIORITY MAIL* stamp. You complete a *PRIORITY* RESHIPPING SERVICE card. We send you the mail you designate according to *your* indicated schedule on the card.

Using flat-rate mailers, as much mail as can fit in the flat-rate envelope will be reshipped to you -- wherever you go*!

'If you're traveling, prepare the envelope with the proper address for each stop and tell us the date to mail to each address. Only domestic addresses are eligible at this rate.

THE POST OFFICE STAFF WILL BE HAPPY TO ASSIST YOU!

03Rier.doc

UNITED STATES POSTAL SERVICE PRIORITY RESHIPPING SERVICE CARD

Postmaster: Reship mail under this tempor	rary change of a	address form by	Priority Mail.						
N									
PERMANENT LOCAL Address:			TEMPOI Address	RARY RESHIPPING					
City:	State:	ZIP:	City:		State:	ZIP:			
First Reship Date:	Last Reship D	Date:		 Rates subject to change may ca PAYMENT METHOD	ause mail to arrive	"Postage Due."			
Total Number of Shipments:	Frequency of Shipments:			Postage stamps purchased and affixed to customer-addressed Flat Rate mailers. () PRIORITY Mail Priority 1 lb. (EP-14F, Flat Rate) = \$3.85 as of 06-30-02					
Please reship the types of mail indicated.	FIRST CLAS PERIODICAL STANDARD	S Yes LS Yes MAIL Yes	No No	() Express Mail Express Mail 1/2 lb. (EP-13F, TOTAL POSTAGE PL	5 as of 06-30-02				
Special instructions/directions if item is									
Customer Signature: 03 doc 07/29/02 UNITED STATES POSTAL SERVICE		Dat	e:						
PRIORITY RESHIPPING SERVIC Postmaster: Reship mail under this tempo		address form by	Priority Mail.						
Name(s):									
PERMANENT LOCAL Address:			TEMPO Address 	RARY RESHIPPING :					
City:	State:	ZIP:	City:	·	State:	ZIP:			
First Reship Date:	Last Reship [Date:		Rates subject to change may company may be PAYMENT METHOD		"Postage Due,"			
Total Number of Shipments:	Frequency o	of Shipments:		Postage stamps purchased and affixed to customer-addressed Flat Rate maile () PRIORITY Mail Priority 1 lb. (EP-14F, Flat Rate) = \$3.					
Please reship the types of mail indicated.	FIRST CLAS PERIODICA STANDARD			Express Mail 1/2 lb. (EP-13F, TOTAL POSTAGE PL	-	65 as of 06-30-02			
Special instructions/directions if item is	too large or he	eavy to be place	ed in mailer.	MITAINFILE	Com I Mo Service				
					1				
Customer Signature: 03cardfr.doc 07/29/02		Dat	e:						

ATTAMMENT P1, 4

EMPLOYEE INSTRUCTIONS

The Customer will:

- (a) complete the PRIORITY RESHIPPING SERVICE card.
- (b) purchase stamps and affix to PRIORITY flat rate mailers1.
- (c) address PRIORITY mailers with desired reshipping address.

The Postal Employee will:

- (1) put the addressed prepaid PRIORITY mailers and this card in the "Hold" section.
- (2) alert the appropriate carrier of the customer's "Hold" status.
- (3) ensure that the designated individual reships mail* from the "Hold" section per customer's instructions.

*NOTE: Accountable mail MUST be forwarded separately.

Rates subject to change may cause mail to arrive "Postage Due."

The above is general reference, be sure to follow all local office procedures!!

Our customers deserve the best service. Working together, we will deliver it.

03cardbk.doc

EMPLOYEE INSTRUCTIONS

The Customer will:

- (a) complete the PRIORITY RESHIPPING SERVICE card.
- (c) purchase stamps and affix to PRIORITY flat rate mailers¹.
- (c) address PRIORITY mailers with desired reshipping address.

The Postal Employee will:

- (1) put the addressed prepaid PRIORITY mailers and this card in the "Hold" section.
- (2) alert the appropriate carrier of the customer's "Hold" status.
- (3) ensure that the designated individual reships mail* from the "Hold" section per customer's instructions.

*NOTE: Accountable mail MUST be forwarded separately.

Rates subject to change may cause mail to arrive "Postage Due."

The above is general reference, be sure to follow all local office procedures!!

Our customers deserve the best service. Working together, we will deliver it.

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Page 1 ATTA SUMENT PL C

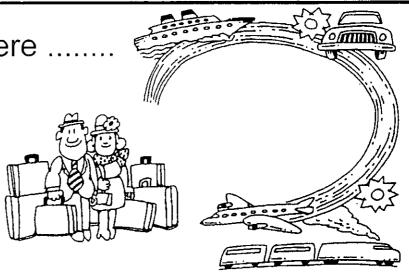


PRIORITY RESHIPPING SERVICE*

*An optional service for <u>temporary</u> address change customers.

No matter how you get there





Make sure your mail follows you!

Complete a *Priority* Reshipping Service card today. The office staff will be glad to explain the details.





PRIORITY RESHIPPING SERVICE*

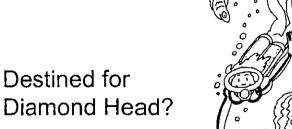
*An optional service for <u>temporary</u> address change customers.



Wandering in Walla Walla?



Aiming for Augusta?



Let your mail follow you!

- Complete a *Priority* Reshipping Service Card
- Purchase your Priority Mail postage
- Address your mailing labels & affix postage

"SNOWBIRD RESHIP" PROGRAM



A premium service for postal customers traveling or temporarily away from home!

Introduction

Many customers request their mail be forwarded each year. This booklet provides a reference for your use to better meet the needs of our customers in the forwarding of mail.

The offers customers a personalized, expedited Priority reshipment of their mail when they are temporarily away from home on business or pleasure. While the name implies it is for customers who go to warmer climates during the winter season, it is a service that can be utilized by any postal customer who is temporarily away.

The "SNOWBIRD RESHIP" service is the batching and weekly "reshipping" of all classes of a customer's mail to his or her temporary address, as long as the end date of requested service to that address is at least two weeks, but not more than one year ahead.

Customers have the option to select what they want and how often they wish us to reship their mail via Priority Mail. Express Mail can be used for more urgent circumstances. The wide variety of packaging supplies available for Priority Mail can accommodate almost any volume of mail the customer wishes to have reshipped. The only expense to the customer is the appropriate amount of postage.

Because postmasters, clerks, and carriers often know which customers travel frequently on business or for pleasure, you are in an excellent position to make sure those special customers know about our "Snowbird Reship" service. Customer kits are available to give to a customer filing a Temporary COA or one you know travels for business or pleasure. The kit explains the reshipment program and provides an application card.

SECTION ONE

INSTRUCTIONS

"SNOWBIRD RESHIP" PROGRAM IMPLEMENTATION GUIDELINES

The Snowbird Reship program is available to customers in all ZIP Code areas in the lt is available to any customer who will be temporarily away from their permanent address between two weeks and up to one year. The program consists of batching and reshipping any class of a customer's mail to his/her temporary address. The ending date of the requested service to that address must be at least two weeks, but no more than one year ahead.

"SNOWBIRD RESHIP" SERVICE is available to all customers upon request in the
as an alternative to the Free Forwarding provided through CFS units. Customer kits are available
to use in promoting the program locally.

Any customers (vacationers, college students, seasonal movers, custom harvesters, etc.) who will be temporarily away from their permanent address between two weeks and one year can request and receive this service.

Carriers, clerks, and postmasters know which customers can benefit from the RESHIP service. A customer kit containing a letter from the postmaster and an application card can be provided to each potential user advising them of the program.

- Employees are to hold out mail for "Snowbird Reship" customers as they would for others whose mail is being held. This mail is to be treated consistently with existing HOLD MAIL procedures with the added provision that it is to be reshipped by Priority Mail or Express Mail at the customer's request and expense.
- 3. All customers must prepay the correct postage for the mailing service chosen for reshipment. Postage for reshipment of mail must be prepaid at the standard rate for the class of service chosen by the customer. The classes of the content mailpieces in the reshipments have no relevance to the rate charged for reshipment postage.
- 4. "SNOWBIRD RESHIPMENT" service is not to be confused with, or represented to customers, as "forwarding." "RESHIPPED" mail is not the same as "forwarded" mail. "Forwarded" mail is processed through our mail forwarding sites (CFS) in accordance with specific existing procedures.
- 5. RESHIPMENT POSTAGE WILL NOT BE SOLD ON CREDIT. Customers may purchase stamps or postmasters may establish POSTAGE TRUST ACCOUNTS to accommodate prepayment of postage. (Postage Trust Accounts for the Snowbird Reship Program DO NOT NEED TO BE APPROVED BY FINANCE.)
- 6. ADEQUATE POSTAGE must be applied to cover the shipping weight of the parcel. This will eliminate "postage due" charges at the destinating post office.
- 7. Customers who choose Express Mail may establish a standard Express Mail Corporate Account at the postal unit serving their permanent address or customers may preaddress and prepay postage on Express Mail envelopes. For customers choosing Priority Mail, the appropriate size Priority package should be used to reship the customer's mail depending on the volume. Flat rate envelopes must not be overfilled beyond the envelope capacity.
- 8. Be sure to identify SNOWBIRD RESHIP mail as being sent from a Post Office by using your office name and address for the return address. PRIORITY PACKAGES WITH NO RETURN ADDRESS ARE REMOVED FROM AIRPLANES BECAUSE, ACCORDING TO FAA GUIDELINES, THEY LACK THE REQUIRED RETURN ADDRESS.

ATTACHMENT PG 11

"SNOWBIRD RESHIP" SERVICE

"HOW TO" FOR POSTMASTER, MANAGERS AND SUPERVISORS

A. Postmaster, Managers and Supervisors need to:

- 1. Make customers aware of the service.
- Obtain customer authorization in writing using Form SRS 1, Application Card for Customers. This provides us with permission from the customer to perform this service. These cards must be maintained at the delivery unit and should be filed securely as documentation of the customer's request.
- 3. Make certain the dates of temporary relocation fall between two weeks and one year.
- 4. Help customer determine how many prepaid envelopes must be prepared to serve their needs. There is to be no credit utilized. Provide envelopes and labels for the customers to use in addressing and applying prepaid postage. OR
- 5. Establish a "postage trust" account to track funds left by the customer to be used in reshipping their mail. (Contact for you need assistance.) If funds have been used up, they must be replenished before shipments can resume. There is to be no credit utilized.
- 6. Assist customers in opening a corporate account for funds to reship by Express Mail, if that option is chosen.
- 7. Ensure the mail is batched and reshipped as agreed upon using the customers choice of service.

B. Clerks/Carriers need to:

- 1. Carrier annotates PS Form 3982, *Changes of Address*, Including the actual expiration date under regular procedures.
- 2. Place a case card for carrier/clerk, **Form SRS 5**, to be used to remind staff that this mail is to be reshipped to customer's temporary address.
- 3. Bundle mail and follow existing hold procedures.
- 4. Take the appropriate measures to ensure security of customer's prepaid envelopes.
- 5. Once a week, unless otherwise instructed by the customer, batch and reship mail per customer's instruction. Include a tracking card, Form SRS 2, to advise us as to how we are doing with the service. The carrier will enter the date the shipment was entered in the mail. The customer will note the date he/she received the shipment, and then drop the postage-paid card in the mail.
- 6. Reshipping will cease 7 days prior to ending date of customer's extended time away.
- 7. Upon return, the customer must pickup the accumulated mail. At that time, a Customer Comment Card, Form SRS 3, is given to the customer to fill out and drop in the mail.



MOST FREQUENTLY ASKED QUESTIONSAnd the Answers!

- Q. I can't get all my customer's mail into the flat-rate envelope. Sometimes I have to use tape to ensure the package holds together. What should I do?
- A. Depending on the volume of mail that the customer normally receives, and what classes of mail the customer wants reshipped, you may need to use a different Priority package. You may use any of the Priority packaging materials as long as the appropriate postage is applied for the weight.
- Q. I used the flat-rate envelope to reship a customer's mail and it was delivered "Postage Due." My customer was not very happy at having to pay more postage. What can I do?
- A. This happens because the package is overstuffed for the packaging material. If you have a trust account for this customer's postage, you can choose a larger Priority envelope or box and apply the appropriate postage for the weight of the material. This will eliminate mail being delivered Postage Due at the other end.
- Q. I have a customer who travels frequently. Although he is not a "Snowbird," he is requesting this service. Can I provide it?
- A. Most definitely! The Snowbird "Reship" process is no longer only for seasonal vacationers. Many customers are frequently away from home for business or pleasure and prefer the use of the Priority Reship service to our normal Centralized Forwarding process. It is more convenient, timely and easy to use. Also, CFS cannot successfully provide service to those customers who are moving from place to place. The mail never has a chance to "catch up" to the customer. However, the Snowbird Reship process offers customers the opportunity to call and tell their postmaster where to send the reshipment so it will be available when they arrive. This works particularly well for custom harvesters, and those with similar jobs, who are usually in an area for only a few days before following the work and moving on. Since you cannot accept collect calls from customers, postmasters and retail clerks have an excellent opportunity to sell customers the USPS phone card. Customers will love the convenience of being able to make that phone call back home without using coins, calling cards, etc. Phone cards are available in a wide variety of denominations at all post offices.

- Q. My customer receives certified mail quite often. Using the Snowbird Reship program, how would I handle this mail?
- A. Accountable mail must not be included in any Reshipment. It is to be re-labeled with the customer's temporary address, documented on a PS Form 3849 and sent on to the destination for delivery. (The Snowbird Implementation Guidelines lists the names of postmasters in the District that can provide labels. A minimum of ten labels should be requested for each Snowbird Reship customer and kept on hand for use in these situations.)
- Q. My customer uses the "free" forwarding service provided by CFS. This last year there were problems with correspondence from tax assessors and financial institutions not being delivered. Letters were returned with a label stating "Temporarily Away." My customer was assessed late fees and was concerned about how this could be happening.
- A. We had many complaints from customers for the same reason. Investigation revealed that mailers using the endorsement "Return Service Requested" were receiving first-class statements and billing notices back advising that the addressee was away. CFS does not provide new addresses for temporary COAs. The mailers of this type of correspondence received instructions to re-envelope the mail and resend it without any endorsement so it could be forwarded by CFS. However, this did not always happen. Admittedly, this is a serious problem for our customers, but it can be eliminated when a customer uses the Snowbird Priority Reship program because mail is re-shipped to those who are temporarily away. It is a reshipment, not a forwarding.
- Q. My customer wants his newspaper forwarded for more than 60 days.
- A. The Snowbird Reship program gives us the leeway to do that. CFS and the "free" forwarding service provided does not.
- Q. My customers go south to Texas every year. They used the Snowbird Priority Reship program, but their shipments did not arrive within the 2-3 day service commitment.
- A. We have experienced some delays to various parts of the country, even with Priority Mail. The areas of delay pinpointed by feedback from our Snowbird Reship customers are noted and given to the appropriate department for their investigation and corrective action. In spite of service delays, customers using Snowbird Reshipments still received mail that cannot be forwarded using CFS and their mail was arriving in a single mail package instead of individually over a period of days.

This can be a great convenience for customers who are traveling or moving around for a seasonal vacation or job. Customers can be assured that we are doing everything we can to pinpoint service problem areas and will take the necessary action to enable us to make our service commitment to our customers.

ATTA/HMENT P6 14

- Q. My customer complained about not having the opportunity to use "free forwarding." What can I say?
- A. Customers still have the use of the "free forwarding" service provided by the USPS. Nothing has changed. The Snowbird Reship program is an individualized, special service provided for those customers who wish to have all or only some classes of mail reshipped. They do not wish to enter a temporary COA and they prefer the convenience of receiving the Priority reshipment on the same day each week. The option to call ahead to let the postmaster know where to send mail is especially easy and convenient for customers who travel around frequently for work or while vacationing. The service options for customers who are temporarily away from home are a matter of personal preference for the customer.
- Q. My customer wants to have me send the mail in a penalty envelope like his former postmaster used to do. Why can't we do that?
- A. Customers loved this special service! Many postmasters provided customers with this service as a courtesy and even sometimes to eliminate complaints about newspapers. Official Penalty Mail, as defined in DMM E060 1.0, is official mail sent by U.S. Government agencies, relating solely to the business of the U.S. Government, that is authorized by law to be carried in the mail without prepayment of postage. Agencies may not lend or provide penalty envelopes, cards, cartons, labels, meter stamps or penalty mail stamps to any private person, concern, or organization. The use of these items for matter not relating exclusively to the business of the U.S. Government is prohibited. The postage paid in the Snowbird Reship program covers the costs associated with reshipping the mail and contributes significantly to overall customer satisfaction. REMEMBER, revenue protection is everyone's responsibility!
- Q. My customer doesn't understand why different classes of mail cannot be forwarded "free". I'm having trouble explaining.
- A. The different classes of mail are handled according to the established regulations utilized by the Centralized Forwarding System. Because of the massive number of Changes of Address filed by customers all across the nation, it is necessary to maintain some hard and fast rules in order to move the mail more expeditiously and efficiently. The Snowbird Reship program is an option available to customers who wish to take advantage of the opportunity to reship all or part of their mail, when and where they need it. The only cost associated with this service is the cost of postage to reship the mail via Priority Service.
- Q. My customer objects to paying for Snowbird Reship service. After all, postage has been paid on the mail once and he feels he shouldn't have to pay more postage to get it forwarded.
- A. Again, the customer is entitled to the "free" forwarding service provided by CFS. The Snowbird Priority Reship program is optional and not subject to the limitations of the "free" forwarding service. The amount of postage is charged at the Priority rates and is determined by the weight of the items reshipped. There is a charge for postage, but not for the special handling we do to reship the mail.

ATTALUMENT P6 15

- Q. My customer has friends from other states that did not have to pay for Snowbird Reship service. Why does my customer?
- A. In August of 1995, Headquarters issued a directive to all Area Vice Presidents setting forth the requirements for the field to continue offering the Snowbird Reship service using Priority Mail. The directive specifically states that correct postage for reshipping MUST always be collected. There has been no change to that policy issued from Headquarters and, until there is something new, all postmasters in the musts follow these guidelines.

ATTA COMENT PG 16

SECTION TWO
SAMPLE FORMS

ATTACUMENT PG 17



Dear Valued Customer:

Because we know how important your mail is to you, we are offering a special service to our customers who like to travel to warmer climates, take extended vacations, or travel on business.

In the "SNOWBIRD RESHIP" program, your mail is batched and reshipped via Priority Mail to a temporary address for as little as \$3.85 a shipment. All classes of mail can be included in the "reship" service. And, free mailing supplies are provided by your local post office. All that is required is a temporary mailing address and prepayment of postage. For those urgent matters, guaranteed overnight or second day Express Mail is available for as little as \$13.65. There is no extra charge for the special handling of your mail; you only pay the appropriate postage rate.

By using this personalized reship service, it is no longer necessary to notify your business or personal correspondents of a temporary change of address. You also eliminate the need to have a friend or family member make that extra trip to pick up and forward your mail. All classes of mail can be reshipped to you in a single package as often as you wish. Even though you may still use our free temporary forwarding service while you travel, we think you might want to try our Snowbird Reship service. It's fast, economical and lets you relax and enjoy your time away from home without worrying about your mail.

If you are going to be away from home for an extended period of time on business or pleasure, why not try the new "SNOWBIRD RESHIP" service from your post office? Please contact our office for more details on how to get started.

Sincerely,

Postmaster

Enclosure - Application Card

ATTACUMENT P6 18

NAME:		Zone/House ID #
		Date Entered on Form 3982
Yes, Please Reship my mail to my T	Temporary Address	Expiration Date
	, ,	Clerk/Carrier Endorsement
Temporary Address		My Permanent Address
Phone #		Phone #
Start Date:		ndividual Only
End Date:		amily
, ,	Express Mail (Overnight or Second Da Priority Mail (2-3 day service) Hold for my return	To be picked up by:
		(Name)
FIRST-CLASS Mail	FIRST-CLASS Mail	FIRST-CLASS Mail
Parcel	Parcel	Parcel
Advertising Mail	Advertising Mail	Advertising Mail
Periodicals (newspapers/ magazines)	Periodicals (newspapers/ magazines)	Periodicals (newspapers/ magazines)
How often do you want us to reship you	☐ Bi-Weekly (2 times	TUE WED THU FRI) s a week)
Signature:	Date	
POSTAL SERVICE SRS 1	·	





BUSINESS REPLY MAIL FIRST-CLASS MAIL PERMIT NO. 73026 WASHINGTON DC POSTAGE WILL BE PAID BY ADDRESSEE

NE(POSTAGE CESSARY MAILED IN THE ED STATES

hilidadaadhalladaddaaddaaddaadd

SNOWBIRD RESHIP SERVICE

Dear Valued Customer:

We would appreciate your input so we may determine the service performance of our SNOWBIRD RESHIP Program. Please assist us by filling in the lines below, providing us with your name, city and state of your temporary address, and the date this package was received, then drop this postage-paid card in the nearest mailbox.

Thank you for assisting us in providing the finest postal service possible, the service you expect and deserve.

NAME:	
CITY & STATE: (TEMPORARY)	Round Stamp Reguired
DATE RECEIVED:	Nequied
WITED TATES	The second of th

ATTACHMENT PG 20





NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL FIRST-CLASS MAIL PERMIT NO. 73026 WASHINGTON DC

POSTAGE WILL BE PAID BY ADDRESSEE

Ы	۱.,	١.,	اسا	11.	.II	Ш	١.	۱.,	۱.,	ы	ا,,,ا	II.	lun	١١	l
---	-----	-----	-----	-----	-----	---	----	-----	-----	---	-------	-----	-----	----	---

SNOWBIRD RESHIP SERVICE

Tell us what you think!

We appreciate your comments and concerns.

Please take a few moments to share your opinions with us.

Plea	ase rate your local Post Office on:		Excellent	Very Good	Good	Fair	Poor		
1.	Its overall performance in the reshipping of your mail	1?							
2.	Receipt of your reshipped mail?								
3.	How would you compare SNOWBIRD reshipment wittemporary forwarding service used in the past?	ith							
4.	Delivery of reshipped mail to your Correct address?								
You	ur comments and concerns:								
Nai	те:								
Per	Permanent Address:Temporary Address:								
City	//State/ZIP Code:	City/State/ZIP Co	ate/ZIP Code:						

POSTAL SERVICE SRS 3

ATTACHMENT 16 21

REVENUE TRACKING CARD

MAILED	AMT OF POSTAGE
	AMT OF POSTAGE
DATE MAILED	AMT OF POSTAGE
で MAILED	AMT OF POSTAGE
TE MAILED	AMT OF POSTAGE
DATE MAILED	AMT OF POSTAGE
DATE MAILED	AMT OF POSTAGE.
DATE MAILED	AMT OF POSTAGE
	AMT OF POSTAGE
	AMT OF POSTAGE
DATE MAILED	AMT OF POSTAGE

REVENUE TRACKING CARD

DATE MAILED	AMT OF POSTAGE
DATE MAILED	AMT OF POSTAGE
ATTA/	ument P6 22

SNOWBIRD RESHIP SERVICE

SNOWBIRD RESHIP SERVICE NAME ADDRESS ZIP CODE

6 23

ATTALMMENT

RESHIP VIA PRIORITY/EXPRESS MAIL

BEGIN END

POSTAL SERVICE SRS 5

(7 DAYS PRIOR TO RESUME DELIVERY DATE)

SNOWBIRD RESHIP SERVICE

SNOWBIRD RESHIP SERVICE NAME ADDRESS CITY/STATE RESHIP VIA PRIORITY/EXPRESS MAIL BEGIN POSTAL SERVICE SRS 5 (7 DAYS PRIOR TO RESUME DELIVERY DATE)

DBP/USPS-T1-6. From line 9 on page 2 to line 6 on page 3 of your testimony, you indicate the contents of PFS shipments.

- (a) Please confirm that the postal service will <u>NOT</u> process any requests for Address/Return/Change/Forwarding Service Requested etc. endorsements that have been placed on the mail by the original sender of the mail that is being forwarded under the PFS.
- (b) Please confirm that mail which the sender has marked DO NOT FORWARD will still be forwarded by PFS.
- (c) Please confirm that accountable mail referred to in line 12 of page 2 also includes Certified Mail / Registered Mail / Insured Mail / COD Mail / Return Receipt for Merchandise and would also be rerouted immediately to the temporary address.
- (d) Please confirm that mail arriving at the primary address which requires that payment of postage due will also be forwarded in the same manner as accountable mail.
- (e) Please confirm that the words "No additional fee" on line 15 of page 2 means that the accountable mail will be forwarded under the single \$10 fee and will not be charged postage due on arrival (other than the postage due mail referred to in subpart d above).
- (f) Please confirm that all Priority Mail will be forwarded immediately upon receipt under the single \$10 fee and will not be charged postage due on arrival unless it arrives on the date of shipment (normally Wednesday) and it will fit inside the shipment container.
- (g) How will packages and parcels which do not fit inside the PFS shipment container but have been originally shipped as First-Class Mail be treated?
- (h) Please confirm that the words "All pieces" on line 3 of page 3 refers only to the words "Other packages and parcels" on line 1 of page 3 and that this refers only to packages and parcels that were shipped as one of the Package Services (Parcel Post / Media Mail / Library Mail / Bound Printed Matter).
- (i) Please explain any items you are not able to confirm.

RESPONSE:

Answers to some of these questions require careful distinction between 1) the reshipment of PFS packages, and 2) the existing temporary and permanent forwarding options. The proposed product's name readily communicates to customers what happens to their mail should they use the service, but in a more technical sense PFS does not "forward" mail.

- (a)-(b) PFS is a proposed reshipment service, and PFS mail, because it is not "undeliverable-as-addressed (UAA)" mail, would not be "forwarded"; this is discussed in my testimony on pages 9-10. As such, mailer endorsements or instructions concerning the treatment of UAA mail are inapplicable to PFS mail.
- (c) Certified Mail, Registered Mail, Insured Mail, COD Mail, and Return Receipt for Merchandise, along with all other mail requiring a delivery scan or customer's signature, would be rerouted immediately to the temporary address and not included in the PFS package.
- (d) Confirmed.
- (e) Not confirmed. Please see the Attachment to my response to OCA/USPS-T1-32, which notes that Standard Mail and Package Services parcels that require a scan would be reshipped Priority Mail postage due.
- (f)–(g) Please refer to Section II.B of my testimony.
- (h) These words are no longer part of my testimony.
- (i) N/A.

DBP/USPS-T1-7.

- (a) Please confirm, or explain if you are not able to do so, that the only cost that a customer utilizing PFS will incur will be
- (1) the enrollment fee,
- (2) the weekly fee,
- (3) the cost of any mail arriving at the primary address postage due, and
- (4) the Priority Mail postage rate for packages and parcels that will not fit in the forwarding container and are in a mailing category that may not be forwarded free of charge.
- (b) Is a customer able to opt out of the added cost incurred in item 4 above?
- (c) If not, why not?
- (d) Can a PFS customer refuse an article that has been forwarded to them under the provisions of item 4 above?
- (e) If so, what happens to the article and are there any consequences to the customer relating to PFS?

RESPONSE:

- (a) I can confirm that the customer would pay an enrollment fee and the sum of the weekly per-shipment charges, based on the duration of service. A PFS customer would also be asked to pay Priority Mail postage due for parcels that are not Express Mail, Priority Mail, or First-Class Mail which are reshipped to the temporary address outside of the PFS package. Pieces arriving postage due at the delivery unit for the primary address would also be reshipped outside of the PFS package. Please refer to Section II.B of my testimony for discussion of customer payments. See also my response to OCA/USPS-T1-32.

 (b)–(e) PFS would be an experiment in which simplicity was a primary design
- goal. Customers would accordingly not be able to opt out of this feature. While customers do have the right to refuse postage due pieces, the Postal Service does not expect this to happen much since customers typically have control over where and how parcels are shipped to them.

DBP/USPS-T1-8. On lines 5 and 6 of page 3 of your testimony, you indicate that standardized instructions would be developed to guide the decision whether to include the package in the PFS shipment. Please provide any draft or conceptual ideas that exist as of today.

RESPONSE:

To get an idea of what standardized instructions might include, please refer to Section II of my testimony. This section describes what I envision the service would provide and how it would be conducted and managed. No further definitive instructions exist.

DBP/USPS-T1-9. On lines 8 thru 10 of page 3 of your testimony, you state that PFS would be explained to customers who inquire about Temporary Change of Address service. Please explain the methods that the Postal Service will utilize to inform customers of this new service.

RESPONSE:

As stated in my testimony, "Sales and Service Associates (SSAs) and carriers would explain PFS to all customers who inquire about Temporary Change of Address service."

Details beyond what is referenced in my testimony have not been developed.

DBP/USPS-T1-10.

- (a) Please confirm, or explain if you are not able to do so, that customers who file a Change of Address order (PS Form 3575) do not have to provide any identification or verification.
- (b) Please explain why it will be necessary for PFS customers to be identified and verified.
- (c) Please advise all of the application processes that occur when a Post Office box is rented and indicate which of these processes would apply for a PFS applicant.

RESPONSE:

(a) Not confirmed. Customers who file hardcopy Change of Address Orders (PS Form 3575) must sign the form. The signature validates the change request. The form indicates:

The person signing this form states that he or she is the person, executor, guardian, authorized officer, or agent of the person for whom mail would be forwarded under this order. Anyone submitting false or inaccurate information on this form is subject to punishment by fine or imprisonment or both under Sections 2, 1001, 1702 and 1708 of Title 18, United States Code.

Customers who file a Change of Address Order electronically through USPS.com have their identity verified using credit card information.

- (b) Unlike Permanent and Temporary Change of Address Orders, PFS would be a feefor-service offering and would involve collecting and dispensing funds (refunds may be appropriate in some cases). Verification of the customer's identity at enrollment is designed to prevent fraud.
- (c) Please refer to the DMM sections D910.2.1-2.2

(http://pe.usps.gov/cpim/ftp/manuals/dmm/D910.pdf) and POM sections 841.121-122 (http://www.nalc.org/depart/cau/pdf/manuals/pom/pomc8.pdf) for P.O. Box application procedures and Section II.C.i of my testimony. This latter link is not to a Postal Service website, but the content of the cited POM sections is correct (except that POM section

841.122a(2) has been changed so that parents or guardians no longer need to list the "age(s)" of each minor on PS Form 1093).

DBP/USPS-T1-11.

- (a) Do you feel that a customer signing up for PFS service for a full year will experience "sticker shock" when presented with a request for \$530?
- (b) If not, why not?

RESPONSE:

I could not say whether any particular customer would or would not experience "sticker shock" at any particular price. In any event customers would be aware of the price of PFS before signing up, and would presumably weigh their options when determining whether to use PFS.

DBP/USPS-T1-12. If a PFS customer's needs change after signing up for the service,

- (a) can they add additional time to the current application?
- (b) If so, will they only pay the \$10 per week fee or is there a new enrollment fee?
- (c) Can they terminate the service early?
- (d) If so, can they receive a refund of the \$10 per week fee for the weeks not utilized?
- (e) Can they suspend the service for one or more weeks during the total enrollment period?
- (f) If so, can they receive a refund of the \$10 per week fee for the weeks not utilized?

RESPONSE:

- (a)–(b) A customer could conceivably extend the duration of service, but not beyond twelve months from the initial start date. Extensions would not require a new enrollment fee, but the per-shipment charges for the additional weeks would have to be paid in advance.
- (c)-(d) Yes, if a customer's temporary relocation terminates early, a refund would be available.
- (e)–(f) Suspension of service would not be allowed. However, such a customer could terminate the initial service period and re-enroll.

DBP/USPS-T1-13.

- (a) Can customers sign up for PFS on a single application for weeks that are not consecutive?
- (b) If not, why not?

RESPONSE:

No, this would not be permitted. PFS is an experiment in which simplicity was a primary design goal, and allowing this would add unnecessary complexity to the product design.

DBP/USPS-T1-14. Can customers sign up for PFS starting at a time which is later than the Wednesday following the date of signing up?

RESPONSE:

If your question is how far in advance a customer could sign-up for PFS prior to the reshipment start date, I do envision customers having the ability to enroll in advance. How far in advance has not been determined.

DBP/USPS-T1-15. What procedure will be followed if a Wednesday is a holiday?

RESPONSE:

Standard Operating Procedures to address this situation have not been developed.

However, it would be fair to expect that if a reshipment did not go out on the

Wednesday, it would do so shortly beforehand or thereafter.

DBP/USPS-T1-16.

- (a) Please provide a copy of the sample label that would be utilized for the PFS container.
- (b) Will the date of mailing appear on the container, either on the label or by means of a postmark?

RESPONSE:

- (a) A sample has not been developed.
- (b) The date of shipment would appear on the container either directly or on the label.

DBP/USPS-T1-17. Please provide the specifics of the term "individuals who receive their mail at a central delivery point" as noted on line 14 of page 6 of your testimony. Please provide examples.

RESPONSE:

Central delivery points receive mail in bulk and are responsible for any further sortation and distribution. Examples include schools, hotels, businesses, apartment complexes, and prisons. Please refer to DMM sections D042.3.0 – 6.0
(http://pe.usps.gov/cpim/ftp/manuals/dmm/D042.pdf) and F020.1.4
(http://pe.usps.gov/cpim/ftp/manuals/dmm/F020.pdf) for further explanation of mail addressed to individuals at a business location.

DBP/USPS-T1-18. On line 18 of page 6 of your testimony, you indicate that PFS is designed for household customers.

- (a) Is the service available under any conditions to a customer classified as a business?
- (b) Provide examples of those customers who would be eligible to utilize PFS vs. those that would not be eligible.
- (c) What happens to mail that arrives at a residence addressed to a "home office" business operated by the resident?

RESPONSE:

(a)–(c) Customers who meet the eligibility requirements presented in Section II.C.iv of my testimony would be eligible to use PFS. That section notes that customers who receive their mail at certain delivery points, such as central delivery points and Post Office boxes of certain sizes, would be ineligible for PFS. Similarly, customers who utilize caller service or firm holdout service would be ineligible for PFS. Hence, some delivery customers operating a small business from their households could become PFS customers.

DBP/USPS-T1-19.

- (a) If a PFS shipment is not made as "required" on a given Wednesday or whatever arrangements will be performed when Wednesday is a holiday, is the customer entitled to a refund of the weekly fee?
- (b) If not, why not?

RESPONSE:

(a)–(b) Wednesday is designated as the shipment date for operational simplicity and standardization. The weekly per-shipment charge is based on one shipment a week. As long as one shipment goes out each week, the Postal Service has met its obligation to the customer. See also the response to DBP/USPS-T1-15.

DBP/USPS-T1-20. If a customer signs up for PFS for a given time period and the rates for either PFS or for Priority Mail change, will they be required to pay the additional fee for the outstanding weeks?

RESPONSE:

It is conceivable that existing customers would be allowed to continue receiving their service at the initial rate if, when they sign up and pay for PFS, no change in rates had been directed by the Board of Governors. No policy concerning this issue has been established.

DBP/USPS-T1-21.

- (a) Are PFS shipments processed as any other Priority Mail piece with respect to all conditions including forwarding?
- (b) If not, please explain any differences.
- (c) What return address will appear on a PFS container?
- (d) What will happen if a PFS container is returned to the sender?

RESPONSE:

- (a)-(b) Yes.
- (c)-(d) The return address on the PFS container would always be the reshipping post office and all returns would go back to that address. Specific procedures for this unlikely occurrence, if warranted, have not been developed.

DBP/USPS-T1-22. Please refer to your response to DBP/USPS-T1-2 subparts b-e. Please provide a definition of the word parcel as noted in line 3.

RESPONSE:

I use the word "parcel" in a general sense, as most people familiar with mail piece shapes would, to refer to a package, box, or a large mail piece that is not a letter or flat. A parcel is generally thicker than flat- or letter-shaped mail pieces.

DBP/USPS-T1-23. Please refer to your response to DBP/USPS-T1-2 subparts b-e. The last sentence appears to contemplate that PFS might be removed from a customer after it had been started. Is that the intention? If so, please advise the conditions under which that would take place and whether a refund [of] the enrollment fee and/or weekly fee would be made.

RESPONSE:

The last sentence of my response to DBP/USPS-T1-2(b)-(e) simply states that Postal Service officials, when faced with a situation in which two or more containers are consistently necessary for a particular customer, might consider checking that the customer meets the eligibility requirements for PFS. That was all I intended to convey in my response. The Postal Service designed PFS as a service for residential households, and accordingly does not expect this situation to arise. However, if it does arise and that customer is eligible for the service, the Postal Service would be obligated to continue the service.

DBP/USPS-T1-24. Please refer to your response to DBP/USPS-T1-5 subpart a.

- (a) Please advise the district offices that provided the attachments.
- (b) It would appear that information was redacted from the attachments although this was not mentioned in your response. Please advise why the information was redacted since in [sic] would appear that these attachments appear to have been sent to members of the public.
- (c) Please explain why you did not make use of information that was utilized in the field.

RESPONSE:

- (a) The attachments were provided by the Central Plains and Albany Districts.
- (b) Only some of the documents attached were designed to be distributed publicly. As my response to DBP/USPS-T1-5(a) states, my purpose in providing the documents was simply to illustrate how informal reshipping arrangements have operated. My attorney advises me that the Postal Service avoids providing office-specific information in Commission proceedings; since the purpose for which the documents were provided was not affected by the redactions, we did not previously mention them. In addition to district names (which I have now provided in response to part (a) after a determination that, in this instance, there is no need to avoid identifying the districts), the redacted information included office-specific names, addresses, and telephone numbers, plus the names of postal officials.
- (c) As page 7 of my testimony and my response to DBP/USPS-T1-5(a) indicates, I did make use of information from the field in developing the PFS proposal.

DBP/USPS-T1-26. Please refer to your response to DBP/USPS-T1-6 subpart g. Please advise the specific page and line of Section II.B of your testimony that describes how packages and parcels originally shipped as First-Class Mail will be treated. Will they be forwarded as First-Class Mail free of charge or will they be forwarded via Priority Mail postage due or by some other means?

RESPONSE:

Please see my testimony at page 2, lines 15-17, and page 3, lines 1-6, along with my response to OCA/USPS-T1-32.

DBP/USPS-T1-27.

- (a) Please advise the criteria that will be utilized to evaluate a given piece of mail as a package or parcel which will be shipped as a separate piece of mail sent by Priority Mail postage due.
- (b) Will the weight of the article be considered in making that determination?
- (c) If so, what will the criteria be?
- (d) Will any or all of the three dimensions of the article be considered in making that determination?
- (e) If so, what will the criteria be?

RESPONSE:

(a)-(e) As noted in my response to DBP/USPS-T1-8, standardized instructions that would guide decisions about whether to include a package in the PFS shipment have not been developed. However, use of the word "guide" in my testimony was intentional because it seems unlikely that detailed instructions would be either necessary or appropriate. Packaging decisions would need to be guided by criteria such as the weight, volume, shape, and dimensions of the mail being reshipped in conjunction with available containers. Postal Service employees are experienced in how these criteria impact mail processing, and could accordingly be depended upon to make educated packaging decisions. Thus, the standardized instructions would provide broad-based guidance that allows employees to make such educated decisions.

DBP/USPS-T1-28. Please refer to your response to DBP/USPS-T1-7 subpart e. Your response appears to not respond to my original interrogatory other than to state that it is not expected to happen much. Please respond to the original interrogatory for those instances where it does happen.

RESPONSE:

In my response to DBP/USPS-T1-7, I noted that customers would "have the right to refuse postage due pieces." I believe my answer was responsive to your interrogatory because it clearly implies that there would be no adverse consequences imposed by the Postal Service on PFS customers who refuse a postage due piece. Please refer to DMM section D042.1.2 (http://pe.usps.gov/cpim/ftp/manuals/dmm/D042.pdf), which notes that an addressee has the right to refuse to accept a mailpiece when it is offered for delivery. DMM section F010.1.0 (http://pe.usps.gov/cpim/ftp/manuals/dmm/F010.pdf) notes that mail that is

refused is processed as Undeliverable-As-Addressed (UAA).

DBP/USPS-T1-29. Please refer to your response to DBP/USPS-T1-8. Please advise the specific page and line of Section II of your testimony that provides the idea of what standardized instructions might include.

RESPONSE:

The entirety of Section II of my testimony, which starts on line 8 of page 1 and ends on line 2 of page 7, is responsive to your question regarding what would and what would not be included in PFS shipments. As I indicated in my response to DBP/USPS-T1-8, the standardized instructions have yet to be developed, and Section II of my testimony provides the best available information regarding what may be put into those instructions. Section II.A addresses generally the relationship between mail delivered to a single delivery point and what portion of that mail would be in the PFS package. Section II.B provides additional details regarding what would be in a PFS package; my response to DBP/USPS-T1-26 is also applicable here. Finally, Section II.C describes how PFS would operate, which could influence the content of the standardized instructions regarding whether to include a package in the PFS shipment.

DBP/USPS-T1-30. Please refer to your response to DBP/USPS-T1-10 subpart a. Please confirm, or explain if you are not able to do so, that when a customer submits a Change of Address order (PS Form 3575) they do not have to provide any identification.

RESPONSE:

This question was answered in my earlier response to DBP/USPS-T1-10(a). A customer who submits a hardcopy Change of Address form need not provide any documentation of identity, though they must sign the form. Customers who submit a Change of Address order through USPS.com need not provide any documentation of identity, though they have their identity verified using credit card information.

DBP/USPS-T1-31. Please confirm, or explain if you are not able to do so, that it would appear that a dishonest person would be more likely to file a fraudulent Change of Address order than a request for PFS where they would have to pay money for the service.

RESPONSE:

I could not say whether a "dishonest person" would or would not be more likely to file a fraudulent Change of Address Order than a PFS application.

DBP/USPS-T1-32. Please refer to your response to DBP/USPS-T1-10 subpart b. Please confirm, or explain if you are not able to do so, that if a refund had to be made to a PFS customer it would be made out to their order and mailed to their address of record.

RESPONSE:

My expectation is that most refunds would be made in person at the window after the PFS customer returns to the primary address, given to the customer with the mail that is held between the last reshipment date and the customer's return, or credited to the debit card or credit card used to purchase the service. Providing a refund through a money order mailed to a PFS customer is also conceivable.

DBP/USPS-T1-33. Please refer to your response to DBP/USPS-T1-10 subpart c. Please confirm, or explain if you are not able to do so, that the Postal Service will be conducting and performing each and every one of the processes listed in the two DMM sections and two POM sections in processing a PFS application.

RESPONSE:

The DMM and POM sections cited in my response to DBP/USPS-T1-10 specify the following processes for applying for Post Office box service: the customer completes the Post Office box application and presents it along with two forms of valid, current identification; the employee accepting the application verifies the application; the employee dates the application; the application is forwarded to the facility where Post Office box service is desired if the application is submitted at another facility; and the post office approves or rejects the application.

Similarly, a PFS customer would complete the PFS application and present it along with two forms of valid, current identification; the employee accepting the application would verify the application; the employee would date the application; the application would be forwarded to the appropriate delivery unit when the application is properly submitted at another facility (please see my response to OCA/USPS-T1-16); and the post office would accept or reject the application.

DBP/USPS-T1-34. Please refer to your response to DBP/USPS-T1-14. Please advise what criteria will be considered in making a decision as to how far in advance a customer may enroll.

RESPONSE:

The Postal Service would consider criteria such as operational feasibility and customer interest.

DBP/USPS-T1-35.

- (a) May a customer enroll and/or terminate early and/or extend the service in PFS by mail?
- (b) May a customer enroll and/or terminate early and/or extend the service in PFS by visiting a post office other than the office that will be performing the service?

RESPONSE:

- (a) While I can state that a customer could not enroll in PFS by mail, specific procedures concerning the exact means by which terminations or extensions could, or could not, occur have not been developed.
- (b) Please refer to my response to OCA/USPS-T1-16 regarding enrollment at a post office other than the office that will be performing the service. As for the remaining portions of your question, please see my response to part (a).

DBP/USPS-T1-36. Please refer to your response to DBP/USPS-T1-18. Please provide a more specific definition, <u>including specific examples</u>, of the term "central delivery points" as used on line 3 of your response.

RESPONSE:

Please refer to my response to DBP/USPS-T1-17.

DBP/USPS-T1-37. Please refer to your response to DBP/USPS-T1-19. Please advise why a customer will be unable to receive a refund if the weekly PFS shipment is made on a day other than the "required" day.

RESPONSE:

As I note in my responses to DBP/USPS-T1-19 and OCA/USPS-T1-8, Wednesday was chosen as the shipment date for reasons of operational simplicity and standardization. It would not be a guaranteed day of shipment; instead, PFS would be based on one shipment a week, and so long as one shipment a week is sent the Postal Service would have fulfilled its obligation to the PFS customer.

DBP/USPS-T1-38. Please refer to your response to DBP/USPS-T1-35 and add a third subpart, namely, If not, why not?

RESPONSE:

Please see my response to DBP/USPS-T1-35. A customer could not enroll by mail because PFS is designed as a simple experiment, and allowing this would add unnecessary complexity to the product design.

DBP/USPS-T1-39.

- (a) May a customer enroll and/or terminate early and/or extend the service in PFS by telephone [using a credit or debit card for payment]?
- (b) May a customer enroll and/or terminate early and/or extend the service in PFS by facsimile [using a credit or debit card for payment]?
- (c) May a customer enroll and/or terminate early and/or extend the service in PFS by an e-mail message [using a credit or debit card for payment]?
- (d) If not, why not?

RESPONSE:

(a)-(d) The Postal Service's proposal does not incorporate options for enrolling by phone, fax, or e-mail; my response to DBP/USPS-T1-38 is also applicable here. As noted in my response to DBP/USPS-T1-55, while the Postal Service recognizes that PFS customers must be able to terminate or extend their service without returning to the delivery unit or post office serving their primary address, specific procedures have not been developed.

DBP/USPS-T1-40.

- (a) You have indicated that the maximum time for PFS service is one year. Can a customer sign up for seven months this winter and another seven months next winter?
- (b) If the service is made permanent, can a customer sign up for six months every winter for an unlimited number of years?
- (c) If not, why not?

RESPONSE:

- (a) While PFS is unlikely to be implemented "this winter," a customer could sign up for two seven-month service periods over the course of consecutive winters, assuming the experiment is in effect. For each seven-month service period, the customer would be required to submit an application and pay the enrollment fee and shipment charges for the duration of service.
- (b)-(c) The Postal Service has not developed a product definition for a permanent service. The purpose of the experimental proposal that is the subject of this proceeding is to inform Postal Service decision-making concerning any permanent service and the form that any such service might take.

DBP/USPS-T1-41.

- (a) When signing up for PFS, may a customer indicate different addresses to be utilized for shipping the mail to on different Wednesdays during the service period?
- (b) If not, why not?

RESPONSE:

No, this would not be permitted. PFS is an experiment in which simplicity was a primary design goal, and allowing this would add unnecessary complexity to the product design.

DBP/USPS-T1-42.

- (a) When signing up for PFS, may a customer indicate a General Delivery address as the receiving address for the weekly shipment?
- (b) If not, why not?

RESPONSE:

Yes.

DBP/USPS-T1-43.

- (a) If after signing up for PFS for a period of time, may the customer change the address to be utilized for shipping the mail to?
- (b) If not, why not?
- (c) If so, can the change be arranged by [1] mail, [2] visiting a post office other than the office that processed the original PFS request, [3] telephone, [4] facsimile, and/or [5] email?
- (d) If the answer to any of the five sub-subparts is no, why not?

RESPONSE:

(a)-(b) No, this would not be permitted. PFS is an experiment in which simplicity was a primary design goal, and allowing this would add unnecessary complexity to the product design. A customer could terminate the initial PFS service period and enroll again with a new temporary address.

(c)-(d) N/A

DBP/USPS-T1-44.

- (a) After signing up for PFS from address A to address B, may a customer file a Change of Address Order at the post office servicing address B to forward the mail to Address C?
- (b) If not, why not?
- (c) If so, will there be no additional postage due for any of the mail that is processed, namely, any mail arriving postage due at address A will be paid for at address C at the same rate as would have been paid at address B and any parcels and packages that were sent Priority Mail postage due from address A to address B will be forwarded free of additional postage due from address B to address C?
- (d) If not, why not?

RESPONSE:

No. The second sentence of proposed DMCS 937.21 states, "Customers may not use Premium Forwarding Service simultaneously with temporary or permanent forwarding orders." PFS was conceived as an exclusive alternative to temporary or permanent forwarding, not as an option that could be mixed with existing options.

DBP/USPS-T1-45.

- (a) May a customer who receives delivery at General Delivery establish PFS?
- (b) If not, why not?

RESPONSE:

Yes.

DBP/USPS-T1-46.

- (a) If a customer signs up for PFS with forwarding to start on a specific Wednesday, will they be allowed and/or even be required to specify the day on which normal mail delivery will be suspended and the holding of mail to begin for processing on the specific Wednesday?
- (b) If not, why not?
- (c) If so, may the day be more than six days prior to the specific Wednesday?
- (d) If not, why not?

- (a) Please see my testimony at page 3, which states that a PFS customer would supply the "beginning and ending dates for PFS." The "beginning," or "start," date would be the day the customer wants the Postal Service to stop delivering mail to the primary address.
- (b) N/A
- (c)-(d) The mail would be reshipped to the temporary address on the first Wednesday following the start date supplied by the customer. PFS is an experiment in which simplicity was a primary design goal, and allowing a start date that is more than seven days prior to the first shipment date would add unnecessary complexity to the product design.

DBP/USPS-T1-47.

- (a) Will the post office and/or can the customer request that any delivered mail that is still accessible to the post office [such as may still be in a curbside mailbox or an apartment mailbox] be retrieved and included in the first PFS shipment?
- (b) If not, why not?

RESPONSE:

No, the proposed service does not allow for retrieving mail that has already been delivered. Having such a service feature would add unnecessary complexity and costs to what is designed as a simple experiment. A customer could avoid this happenstance by choosing the right start date.

DBP/USPS-T1-48.

- (a) If a customer who receives mail delivery at a post office box or General Delivery establishes PFS, will all mail physically in the box [or being held for claim] or at General Delivery be included in the first shipment?
- (b) If not, why not?

RESPONSE:

As with my response to DBP/USPS-T1-47, the Postal Service has no plans to collect delivered mail for inclusion in PFS packages. However, this should present no problems for customers, who would provide start dates that are in the future rather than retroactive. See also my response to OCA/USPS-T1-46.

DBP/USPS-T1-49. Please refer to your response to DBP/USPS-T1-5. On Page 16 of the attachment, you refer to a Headquarters directive dated August 1995.

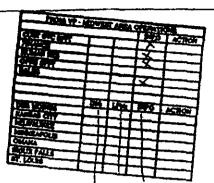
- (a) Please provide a copy of that directive.
- (b) Is that directive still valid?
- (c) If not, please advise the changes.
- (d) Please provide any additional Headquarters directives issued with respect to or related to PFS that were issued after August 1995.

- (a) Please see the attached directive of August 15, 1995.
- (b) To the best of my knowledge, the directive has not been rescinded. The directive of April 8, 1996 that is attached in response to part (d) below was simply a reiteration.
- (c) N/A
- (d) Please see the attached directive of April 8, 1996.

ALLEN KANE VICE PRESIDENT, OPERATIONS SUPPORT MUHI

POSTAL SERVICE

AUG 1 7 1995



August 15,1995

VICE PRESIDENTS, AREA OPERATIONS

SUBJECT: "Snowbird" Service

The Postal Service has historically received requests from customers to provide for the temporary reshipment of mail while they are away from their primary residence. Typically, the greatest demand for this forwarding occurs during the winter months and is quite often referred to as "snowbird" service. Several questions have been asked pertaining to "snowbird" services that have been adopted in the field through local management initiatives.

Attached are four specific points intended to answer these questions and standardize our policy for such service. Please review them and take the steps necessary to disseminate these standards to appropriate field managers and postal units where "snowbird" service is presently offered.

During the months ahead, our Marketing group will conduct the necessary market survey and cost study to determine national policies regarding pricing and expansion to other sites. In the meantime, and with the coordination of the appropriate area managers, local postmasters may be authorized to continue to offer their programs. Until the needed marketing work is completed and a decision is reached on the future of "snowbird" reshipment as a national program, please assure compliance with these guidelines, especially that correct postage for reshipping is always collected.

Allen Kane

Attachment

CC:

Bill Henderson

Loren Smith

Managers, Operations Support (Area)

Hank Cleffi

Bob Krause

Dan Curtis

Bob Maddern

Tom Valenti

Snowbird Service Standard Operating Procedures

For purposes of achieving a common understanding and *implementation* in a *uniform* manner, "snowbird" service is defined as follows:

"Snowbird" service is the batching and <u>periodic reshipping (e.g., weekly, twice monthly, monthly)</u> of <u>all</u> classes of a customer's mail to his or her temporary address so long as the end date of requested service to that address is at least two weeks, but not more than one year, ahead.

1. "Snowbird" service will be available to all customers upon request at those postal units where it is presently being offered. To avoid potential legal issues regarding our obligation to properly attribute cost by class, no additional offices should be authorized to offer the service at this time.

This means that any customer (vacationer, seasonal mover or others) who will be temporarily away from his/her permanent address for between two weeks and one year can request and receive this service from postal units now offering it, subject to other conditions discussed herein.

2. No services other than batching and reshipping by one of two mail choices will be provided.

Employees are to hold out mail for "snowbird" customers as they would for others whose mail is being held. This mail is to be treated consistent with existing Hold Mail procedures with the added provision that it is to be batched and reshipped by Priority Mail or Express Mail, at the customer's option.

3. All customers must prepay the correct postage for the mailing method chosen for reshipment.

Postage for reshipment of batched mail must be *prepaid* at the standard rate for the mailing method chosen by the customer. The classes of the content mailpieces in the batches has no relevance to the rate charged for reshipment postage. "Snowbird," or reshipment, service is *not* to be confused with or represented to customers as "forwarding." "Reshipped" mail is not the same as "forwarded" mail. "Forwarded" mail is processed through our mail forwarding sites in accordance with specific existing procedures.

4. Pre-funded Express Mail corporate accounts or postage prepaid envelopes are to be used.

Reshipment postage will not be sold on credit. Collection of postage due at destination will not be allowed. Customers may establish a standard Express Mail corporate account at the postal unit serving their permanent address. Alternatively, customers may purchase, preaddress and provide prepaid Priority Mail or Express Mail flat-rate envelopes for local stocking and use to reship their batches. Customers must indicate in writing (e.g., on locally prepared request cards) whether items too large to be placed in these envelopes are to be held or reshipped and, by which mailing method, if reshipment is desired.

ALLEN KAME VICE PRESIDENT, OPERATIONS SUPPORT



April 8, 1996

VICE PRESIDENTS, AREA OPERATIONS

SUBJECT: "Snowbird" Service

This reliterates my August 15, 1995 memorandum on "snowbird" service. It is being sent again because I am receiving letters from the field asking why we are allowing free delivery of Priority and Express Mail packages.

The Postal Service has historically received requests from customers to provide temporary reshipment of mail while they are away from their primary residence. Typically, the greatest demand for this forwarding occurs during the winter months and is quite often referred to as "snowbird" service. Several questions had been asked pertaining to "snowbird" services that have been adopted in the field through local management initiatives.

I am again attaching four specific points intended to answer these questions and standardize our policy for such service. Please review them and take the steps necessary to be sure these standards are understood by field managers and postal units where "snowbird" service is presently offered.

Marketing, Finance and Address Management have been working with an outside contractor, Price Waterhouse, to design a market survey and cost study to aid in determining national policy regarding pricing and expansion to other sites. This study is expected to begin in a few weeks, and results and recommendations should be in this fall. Until the needed study work is completed and a decision is reached on the future of "snowbird" reshipment as a national program, please assure compliance with the attached guidelines, especially collection of postage for all mail reshipping.

Allen Kane

Attachment -

cc: Mr. Henderson

Mr. Smith

Mr. Cleffi

Mr. Curtis .

Mr.: Krause:::

Mr. Maddern

Mr. Valenti

Managers, Operations Support (Area)

Anthony Brescia

475 L'Erikur, Alaza Svr Washiratir, DC 20280-7000 202-268-6990 F47 202-268-5293

SNOWBIRD SERVICE STANDARD OPERATING PROCEDURES

For purposes of achieving a common understanding and implementation in a uniform manner, "snowbird" service is defined as follows:

"Snowbird" service is the batching and <u>periodic reshipping (e.g.,</u> weekly, twice monthly, monthly) of all classes of a customer's mail to his or her temporary address so long as the end date of requested service to that address is at least two weeks, but not more than one year, ahead.

1. "Snowbird" service will be available to all customers upon request at those postal units where it is presently being offered. To avoid potential legal issues regarding our obligation to properly attribute cost by class, no additional offices should be authorized to offer the service at this time.

This means that any customer (vacationer, seasonal mover or others) who will be temporarily away from his/her permanent address for between two weeks and one year can request and receive this service from postal units now offering it, subject to other conditions discussed herein.

2. No services other than batching and reshipping by one of two mail choices will be provided.

Employees are to hold out mail for "snowbird" customers as they would for others whose mail is being held. This mail is to be treated consistent with existing Hold Mail procedures with the added provision that it is to be batched and reshipped by Priority Mail or Express Mail, at the customer's option.

3. All customers must prepay the correct postage for the mailing method chosen for reshipment.

Postage for reshipment of batched mail must be prepaid at the standard rate for the mailing method chosen by the customer. The classes of the content mailpieces in the batches has no relevance to the rate charged for reshipment postage. "Snowbird," or reshipment, service is not to be confused with or represented to customers as "forwarding." "Reshipped" mail is not the same as "forwarded" mail. "Forwarded" mail is processed through our mail forwarding sites in accordance with specific existing procedures.

4. Pre-funded Express Mall corporate accounts or postage prepaid envelopes are to be used.

Reshipment postage will not be sold on credit. Collection of postage due at destination will not be allowed. Customers may establish a standard Express Mail corporate account at the postal unit serving their permanent address. Alternatively, customers may purchase, preaddress and provide prepaid Priority Mail or Express Mail flat-rate envelopes for local stocking and use to reship their batches. Customers must indicate in writing (e.g., on locally prepared request cards) whether items too large to be placed in these envelopes are to be held or reshipped and, by which mailing method, if reshipment is desired.

DBP/USPS-T1-50. Please refer to your response to OCA/USPS-T1-12. The first sentence appears to indicate that a parcel or package that is being shipped as Parcel Post would be reshipped as Priority Mail postage due while a similar parcel or package that was accountable mail and/or requiring a scan [such as Insured/Delivery Confirmation/Signature Confirmation/Return Receipt for Merchandise/COD/etc.] would be forwarded by standard mail and therefore be postage due only at the standard mail rates and not the Priority Mail rates. Please clarify.

RESPONSE:

Please see the Attachment to my response to OCA/USPS-T1-32.

DBP/USPS-T1-51.

- (a) Please explain, in general, the steps taken in processing mail that arrives at an address in which the customer has filed a Change of Address Order.
- (b) Please indicate the normal time frames for each of the actions to be taken. For example, if a letter arrives at the delivery unit on a Monday, when will that letter be entered into the system with the new address?
- (c) Are forwarded letters normally handled with the same delivery standards [1-, 2-, or 3-days] as other letter mail is?
- (d) If not, please explain.
- (e) Please advise the action taken with each of the classes of mail [for example, First-Class Mail/ Priority Mail/ Express Mail/ Standard Mail/ Package Services/ Periodicals/ etc.] with a temporary vs. permanent Change of Address Order.

RESPONSE:

This interrogatory was the object of a partial objection in which the Postal Service agreed to respond "regarding the forwarding procedures for pieces requiring scans, but only those pieces." Also, as noted in my response to OCA/USPS-T1-22, these procedures are the same for both forwarded mail and mail that would be reshipped under PFS.

(a)-(d) When a mail piece that requires a scan at delivery arrives at the delivery unit which serves the forwarding address, the piece receives a "forwarded" scan and is re-entered into the mail stream. That piece would then receive a "delivered" scan (or one or more other scans, including "attempted" delivery) when it reaches the temporary or new permanent address. To the best of my knowledge, the "forwarded" scan is entered in the delivery unit either before the mail is taken out on the delivery route or after the delivery employee returns from the route having realized that one or more pieces are subject to a forwarding order. Under PFS, mail that requires a scan would also be scanned and immediately rerouted to the temporary address. These procedures are followed

when a carrier casing mail finds a piece subject to a forwarding order, or would be followed when a piece subject to a PFS order is found. Such procedures could occur during each delivery day and would not involve a Computerized Forwarding System (CFS) unit. There are no delivery standards specific to forwarded mail. However, as noted in my testimony, USPS-T-1 at 1, PFS is proposed as an alternative to the sporadic delivery that characterizes forwarded pieces.

(e) All pieces that require a scan at delivery, regardless of their class and type of forwarding order, receive a "forwarded" scan and are returned to the mail stream that day.

DBP/USPS-T1-52. Please confirm, or explain if you are unable to do so, that Post Offices that had in place the unofficial Snowbird service prior to 1996 were permitted to continue the service while no new Post Office was authorized to introduce the service after that date. Please provide copies of any directives related to this requirement.

RESPONSE:

Please see the Attachment to DBP/USPS-T1-49.

DBP/USPS-T1-53. Please refer to your response to DBP/USPS-T1-23.

- (a) Is an evaluation made when the customer enrolls in the PFS program to ensure that the requester is eligible for the service?
- (b) Is a mailer entitled to change their mail receiving conditions during their period of PFS enrollment?
- (c) If a change is made during the enrollment period which would have caused the Postal Service to deny the service if the new conditions existed at the time of enrollment, please advise what will happen.
- (d) Please confirm, or explain if you are unable to do so, that should the Postal Service cancel a customer's PFS program, it could create a concern for the customer.
- (e) Your original response did not respond to whether a refund would be made if the service was cancelled. Please respond.

- (a) Although not yet developed, materials describing the service and eligibility for it would be available to PFS applicants; also, applications for PFS would be responsive to the eligibility criteria. Applicants would thus presumably make their own evaluation prior to applying. Additionally, eligibility requirements would be understood by the associate, who could explain the service to applicants.
- (b) Assuming that by changes in "mail receiving conditions" you mean that the type of primary address that a customer uses (e.g., a size 2 Post Office Box, general delivery) undergoes a change, a customer would need to terminate service and re-enroll. This is consistent with what a customer would need to do to change their temporary address (see my response to DBP/USPS-T1-43).
- (c) In the event any "changes" require termination of the service, a refund would potentially be available to the customer; however, given the uncertainty about the "changes" to which you refer, I cannot say definitively whether a refund would be in order.

- (d) I cannot foresee a significant number of "cancellations" by the Postal Service since the customer would understand the terms of the service from the beginning. To the extent that service is cancelled by the Postal Service, the customer could be "concerned."
- (e) As I note in my response to part (c) above, if the Postal Service terminates a customer's service, a refund would potentially be available to the customer.

DBP/USPS-T1-54. Please refer to your response to DBP/USPS-T1-27.

- (a) Please explain why you believe that providing "broad-based guidance that allows employees to make such educated decisions" rather than providing specific weights and/or volumes and/or shapes and/or dimensions would be a better method of handing the instructions to the field.
- (b) Please confirm, or explain if you are unable to do so, that this method could result in different customers with similar conditions to be treated differently.

- (a) Please see my response to DBP/USPS-T1-27, which notes that the Postal Service believes that it is unlikely that such detailed instructions would be necessary or appropriate. The Postal Service has decided to rely on employee's educated packaging decisions. Providing detailed upfront guidelines designating weights and/or volumes that would and would not be included in the PFS shipment could unnecessarily increase the cost of the service by requiring the employee to measure or weigh a customer's mail. One purpose of an experiment is to gain insight that may suggest whether alternative product definitions may be warranted for a permanent service.
- (b) Confirmed. However, customers are not the only pertinent consideration since offices themselves differ. PFS, as proposed, also holds out the possibility that customers who differ may be treated similarly. It is possible that in one instance, a particular parcel might be included in a shipment, and in another instance, it might not be, depending on how well the parcel fits with the other mail being shipped. If there had to be a firm rule that precluded the possibility of different treatment, one possibility would be a directive that no Package Services or Standard Mail parcels be included in the shipment. This approach would

avoid the measurement or weighing of these pieces (and avoid incurring the cost of doing so, and the resulting price increase), yet could lead to additional pieces being sent postage due. A better course is the one proposed, which would allow employees to make educated decisions.

DBP/USPS-T1-55. Please refer to your responses to DBP/USPS-T1-35 and 43.

- (a) Please advise if there are any services or actions with respect to PFS that a customer may make remotely without returning to the office serving their permanent location (this includes other local stations and branches as noted in the response to OCA/USPS-T1-16).
- (b) Please confirm, or explain if you are unable to do so, that the value of the service will be greatly reduced if a customer who signs up for PFS and then needs to make a change during the PFS enrollment period is required to physically return to their permanent location to ensure that they can have their mail handled in accordance with their needs and desires.

RESPONSE:

(a)-(b) The Postal Service recognizes that PFS customers must be able to terminate or extend PFS without returning to the delivery unit or post office serving their primary address, since requiring the customer to make such a trip solely to terminate or extend their service would be very inconvenient to the customer. But as noted in my response to DBP/USPS-T1-35, specific procedures concerning the exact means by which extensions or terminations could, or could not, occur have not yet been developed.

DBP/USPS-T1-56. Please refer to your response to DBP/USPS-T1-37.

- (a) Do you believe that if the mail is consistently reshipped on a Wednesday, that it will add to the value of PFS to the customer?
- (b) If not, why not?
- (c) Please confirm, or explain if you are unable to do so, that forwarding the mail on Saturday of Week 1, Monday of Week 2 and Saturday of Week 3 would comply with the regulations and provide reshipment on adjacent delivery days [between weeks 1 and 2] and eleven delivery days [between weeks 2 and 3] and therefore reduce the value of service to the PFS customer who is expecting delivery on the same day each week.

- (a)-(b) The Postal Service believes that PFS would be attractive to customers who value its differences from the existing options for customers who temporarily relocate. One of those differences is the fact that substantially all of a customer's mail would be reshipped in a weekly package. When this feature is combined with a standardized shipment date and the use of Priority Mail, customers would be provided with consistent and predictable mail delivery. I do think such consistent receipt of their weekly mail would be a benefit for customers, and customers would therefore find a designated shipment date to be attractive. As noted on page 1 of my testimony, PFS is designed as an alternative to temporary forwarding, which can generate more sporadic results.
- (c) This question makes assumptions that I would not make, including the existence of regulations that do not exist and a specific definition of "week". PFS is designed for the Wednesday reshipment of mail (as spelled out in my response to OCA/USPS-T1-8). In conformity with that response and my response to part (a) above, Wednesday is a good choice for both customers and the Postal Service. Even if the scenario you present here would meet the

conditions I presented in my response to DBP/USPS-T1-37, it is an extreme scenario and would be completely contrary to the directions provided to the field and to the interests of the customer and the Postal Service; therefore, I have no expectation that it would occur. Nevertheless, to answer your question, I expect that customers would find the hypothetical situation that you present to be less valuable than the service proposed.

DBP/USPS-T1-57. Please refer to your response to DBP/USPS-T1-44.

- (a) Please confirm, or explain if you are unable to do so, that you are applying the restrictions on not using PFS simultaneously with temporary or permanent forwarding orders at <u>both</u> the permanent address and the temporary address.
- (b) Please advise why you are applying that regulation to the temporary address?
- (c) Please advise what will happen to the mail [until the customer physically returns to New Jersey to make the appropriate changes] of a customer in New Jersey who signs up for PFS to reship his/her mail to Florida finds that when he/she arrives in Florida that the address they thought they would have in Florida is not able to be utilized either because it is not available or they end up having to go to California, etc.
- (d) Why do you feel that these conditions are acceptable?

- (a)-(b) I can confirm that PFS and forwarding service are mutually exclusive alternatives. Please see the second sentence of my response to DBP/USPS-T1-44. The exclusion of simultaneous forwarding and PFS orders limits the potential that a customer's mail would travel from point A (sender), to point B (PFS primary address), to point C (PFS temporary address), to point D (second temporary/permanent forwarding address). Such a situation would be wasteful and slow, and contrary to customers' interest in timely receipt of their mail and the Postal Service's interest in minimizing the links in such chains.
- (c) To the extent that mail cannot be delivered to the temporary address provided by the customer, it would be handled as undeliverable-as-addressed. To the extent customers want to change their temporary PFS address, they could terminate their PFS service and re-enroll with the new address, as noted in my response to DBP/USPS-T1-43. While customers would be able to terminate remotely (please see my response to DBP/USPS-T1-55), they would not be

allowed to enroll remotely (please see my responses to DBP/USPS-T1-35 and DBP/USPS-T1-39).

(d) PFS is not designed for a customer who is unsure of her temporary address, or expects to periodically change her temporary address.

DBP/USPS-T1-58. Please refer to your response to DBP/USPS-T1-46.

- (a) Please confirm, or explain if you are unable to do so, that if a customer wanted to receive mail delivery at their permanent address until a Tuesday, that their first PFS shipment will be made the following day and only contain the mail that would have been delivered on that Wednesday.
- (b) Assume that the customer does not receive any mail on that Wednesday, will they be sent an empty envelope?
- (c) If not, what will happen?
- (d) Will they be charged \$10 for that week?

RESPONSE:

(a) Not confirmed. Please see my response to DBP/USPS-T1-46, which states that a PFS customer's mail would be reshipped to the temporary address on the first Wednesday following the start date supplied by the customer. The "start date," as also explained in my response to DBP/USPS-T1-46, would be the day the customer wants the Postal Service to stop delivering mail to the primary address. Thus, if a customer wants to receive their mail at their primary address "until a Tuesday," then the customer would specify the following day (Wednesday) as the start date; this would mean the first shipment date would be sent seven days later, on the following Wednesday. If a customer designates a Tuesday as the start date, then the first shipment would be on the following day, and would contain the customer's mail from that Tuesday and Wednesday. (b)-(d) If the customer designates a Wednesday as the start date, then the first PFS shipment would contain the mail received through the next Wednesday, which would be the first shipment date. If a customer designates a Tuesday as the start date, and receives no mail on the succeeding Wednesday, then the PFS shipment would be sent with the mail received on the Tuesday. In either case, the customer would be charged \$10.00 for the shipment.

If, however, a shipment date arrives and there is no mail to be placed in the PFS package for a customer, an empty envelope would not be sent. In this unlikely scenario, a refund would also potentially be available to the customer.

DBP/USPS-T1-60. For purposes of this interrogatory, assume that a mailpiece arrives to be reshipped for a PFS customer. Assume that the mailpiece has physical characteristics that would allow it to fit into the reshipment container. Furthermore, assume that the postage on the mailpiece is paid at other than Express Mail, Priority Mail, or First-Class Mail.

- (a) Please confirm, or explain if you are unable to do so, that if this mailpiece did not have a requirement to be scanned nor was it postage due, it would be reshipped free of charge while if it had a requirement to be scanned or was postage due, it would be reshipped as Priority Mail postage due with a minimum additional charge of \$3.85.
- (b) Please explain the rationale for this distinction.
- (c) Please explain why you believe that this procedure is fair and equitable.

- (a) Please see my response to OCA/USPS-T1-32. No piece would be reshipped "free of charge" to a PFS customer. If a piece is included in the PFS package, it would be reshipped subject to the \$10 per-shipment charge. If a piece is reshipped Priority Mail postage due, then it would be charged at least the lowest Priority Mail rate, currently \$3.85.
- (b)-(c) Including mail that requires a delivery scan in the PFS package would preclude the requisite scans. Accordingly, such Standard Mail and Package Services pieces would be reshipped as outside pieces. In conformity with the reasons mentioned in my response to OCA/USPS-T1-13, such pieces would be reshipped as Priority Mail postage due. This is also consistent with my response to DFC/USPS-T1-1, where I noted that mail pieces that would receive free reshipment under PFS also receives free forwarding if a forwarding order is in effect.

DBP/USPS-T1-61.

- (a) Please confirm, or explain if you are unable to do so, that there are mailpieces which are required to be reshipped by Priority Mail postage due because of the physical characteristics and the class of postage paid when originally mailed, that are capable of fitting into a Priority Mail flat-rate envelope and/or box and that doing so could result in a postage rate which was less than the non-flat-rate Priority Mail postage determined by the weight and destination.
- (b) Will post offices be permitted and/or directed to utilize flat-rate containers if it would result in a lower postage due charge?
- (c) If not, why not?

RESPONSE:

(a)-(c) The only pieces that would be "required" under PFS to be reshipped Priority Mail postage due are Standard Mail and Package Services parcels that require a scan at delivery; please see my response to OCA/USPS-T1-32. As noted in my testimony at page 8, pieces that require a scan, including Standard Mail and Package Services parcels, would not be included in the PFS package because doing so would preclude the requisite scans. This also means that Standard Mail and Package Services parcels that require a scan at delivery would not be placed in any other type of container, including a flat-rate envelope or flat-rate box, for reshipment.

More generally, pieces that are reshipped Priority Mail postage due would not be repackaged, though they would be designated as "Priority Mail". Placing parcels to be reshipped Priority Mail postage due in alternative packaging would lead to costs that are not contemplated by this service; for example, the postal employee would have to determine whether the parcel fits into alternative packaging. In any event, it is unlikely that the repackaging of a parcel would lead to a lower postage rate since the flat-rate box would not be used for PFS.

DBP/USPS-T1-62. Please confirm, or explain if you are unable to do so, that when non-Express/Priority/First-Class PFS articles are reshipped as outside pieces, they will be marked and treated as Priority Mail from that point on.

RESPONSE:

Standard Mail and Package Services pieces that are reshipped outside the PFS package would be marked and treated as Priority Mail. The reasoning behind this aspect of the PFS product design is summarized in my response to OCA/USPS-T1-13.

DBP/USPS-T1-63. Please confirm, or explain if you are unable to do so, that PFS may be utilized to and/or from an APO or FPO address.

RESPONSE:

As stated in my testimony at page 8, PFS mail may be reshipped to domestic delivery points only. DMM section G001.2.1 defines "domestic mail" as "mail transmitted within, among, and between the United States of America, its territories and possessions, Army Post Offices (APOs), Fleet Post Offices (FPOs), and the United Nations, NY." Operationally, the Postal Service could deliver PFS mail to an APO or FPO; however, the reverse would not be possible since APOs and FPOs are operated by the military.

DBP/USPS-T1-64. This interrogatory relates to the use of orange Priority Mail pouches as a container for the reshipment of PFS to temporary addresses. Please confirm, or explain if you are unable to do so, that

- (a) the Postal Service utilizes orange Priority Mail pouches;
- (b) these Priority Mail pouches are normally utilized to transport mail via Priority Mail between postal facilities.
- (c) these Priority Mail pouches are also utilized for drop shipments.
- (d) Please advise all uses of orange Priority Mail pouches for other than transporting mail between postal facilities, namely a non-postal employee is the preparer of the originating pouch and/or is the recipient of the pouch and opens it up.
- (e) Please confirm, or explain if you are unable to do so, that an orange Priority Mail pouch could be <u>physically</u> utilized as a container for reshipping PFS mail by placing the mail inside the pouch, closing the pouch, affixing a tag to the pouch showing that it should be transported to the PFS customer's temporary address, indicating that the PFS postage has been paid, transporting the pouch to the temporary address, and delivering it to the addressee.
- (f) Does the Postal Service plan to utilize orange Priority Mail pouches for reshipping PFS mail should that size pouch be an appropriate size container for the quantity of mail being reshipped?
- (g) If not, why not?

- (a) Confirmed.
- (b) I understand that the pouches are normally used to transport Priority Mail pieces within the Postal Service.
- (c) Confirmed.
- (d) My understanding is that orange Priority Mail pouches are used for transporting Priority Mail among postal facilities, so neither mailers nor delivery customers would ordinarily touch them. The one exception I have found consists of use with Priority Mail drop shipments, wherein the mailer actually places multiple items in an orange sack which is then opened at the destination facility.

 (e)-(g) The Postal Service does not plan to use the pouch as a container for PFS
- shipments, even if it was physically capable of being utilized. While my

understanding is that Priority Mail drop shippers receive pouches in order to prepare their shipments, the Postal Service rarely delivers mail in a pouch. Pouches are not intended for the delivery of mail to individuals or households; therefore, they would not be used for the PFS package.

DBP/USPS-T1-65. This interrogatory is designed to determine the effect on PFS when a customer receives a large quantity of mail to be reshipped under the PFS program. It also assumes that none of the mail to be reshipped will be accountable mail and/or requiring a scan nor will it arrive at the permanent address short paid. Please confirm, or explain if you are unable to do so, that

- (a) there are a number of Priority Mail containers that are utilized for reshipping,
- (b) regardless of the quantity of letters, flats, and periodicals that require reshipment at a given time, the Postal Service will utilize the required number of Priority Mail containers noted in subpart a that are necessary to reship all of the letters, flats, and periodicals to the temporary address under the single \$10 weekly fee for the service.
- (c) If a single parcel or package requires reshipment at a given time and that parcel or package will fit into one of the Priority Mail containers noted in subpart a, will that parcel or package be placed into the container and be forwarded to the temporary address as a part of that week's shipment covered by the single weekly \$10 fee?
- (d) If not, why not?
- (e) If multiple parcels or packages, each of which will individually fit into one of the Priority Mail containers noted in subpart a, are due for reshipment at a given time, will those parcels or packages be placed into the required number of container[s] and forwarded to the temporary address as a part of that week's shipment covered by the single weekly \$10 fee?
- (f) If not, why not?
- (g) Will any combination of letters/flats/periodicals and parcels/packages still be forwarded to the temporary address under the single weekly fee of \$10 so long as none of the pieces are of such a size so as to not be capable of <u>individually</u> being placed into one of the Priority Mail containers noted in subpart a?
- (h) If not, why not?

- (a) Confirmed that there are a number of existing Priority Mail containers that would be available for use with PFS; see my response to DBP/USPS-T1-2.
- (b) Employees would choose a container that accommodates the eligible letters, flats, and periodicals received during the week. As noted in my response to DBP/USPS-T1-2, Priority Mail boxes and envelopes would generally be used; however, as noted in my response to OCA/USPS-T1-37, a box that is larger than

any of the Priority Mail boxes could also potentially be used. In addition, if the volume of the letters, flats, and periodicals received in a given week is such that a single container would exceed Postal Service size or weight requirements, two containers would be used.

- (c) Please see my response to OCA/USPS-T1-36. If an eligible parcel fits into the container chosen by the employee after the letters, flats, and periodicals are inserted, then the parcel would be reshipped in the PFS package. Employees would make educated packaging decisions about what container to use, guided by standardized instructions that would direct them to base their choice primarily on the volume, weight, and dimensions of the letters, flats, and periodicals received during the week; as a general matter, employees would not increase the size of the container solely to ensure that a parcel is placed inside the PFS package. Thus, whether a parcel is reshipped in the PFS package would be a function of whether it fits into the container chosen by the employee, not whether it fits into some Priority Mail box. Parcels that are placed in the PFS package would be covered by the \$10.00 per-shipment charge.
- (d) Please see my response to OCA/USPS-T1-36.
- (e) Please see my response to part (c). If a customer receives multiple parcels during a week, those parcels that fit into the container chosen by the employee after the letters, flats, and periodicals are inserted would be reshipped in the PFS package; the rest would be sent outside the PFS package.
- (f) Please see my response to OCA/USPS-T1-36.
- (g) Please see my response to part (c).

(h) Please see my response to OCA/USPS-T1-36.

DBP/USPS-T1-66.

- (a) Will it be the object of the Postal Service to try and minimize the number of parcels/packages that are reshipped as outside pieces thus incurring an additional postage due charge?
- (b) If so, please explain how that will be accomplished.
- (c) If not, why not?

- (a) The Postal Service would not have a policy that directs employees to minimize (or, for that matter, maximize) the number of outside parcels sent postage due.
- (b) N/A.
- (c) Minimizing the number of outside parcels would require a policy similar to that outlined by the OCA in part (a) of interrogatory OCA/USPS-T1-36 in which PFS containers are chosen in order to accommodate the eligible parcels received during the week; for the reasons discussed in my response to interrogatory OCA/USPS-T1-36, the Postal Service would not have such a policy. At the same time, however, the Postal Service would not have a policy that maximizes the number of outside pieces by foreclosing any possibility that they be placed in the PFS shipment; instead, parcels would be placed in the PFS package if they fit into the container chosen by the employee.

DBP/USPS-T1-67. Please refer to your response to DBP/USPS-T1-60.

- (a) Is it possible to affix a new barcode on the PFS reshipment container so that it can be associated electronically with the barcode of a mailpiece that was included inside the PFS container and thereby allowing for reshipment of that mailpiece inside the PFS container under the regular weekly fee of \$10?
- (b) If not, why not?

RESPONSE:

(a)-(b) To the best of my knowledge, what you are suggesting here would be very difficult, if not impossible, to do since it would require that the primary address post office have the capability to duplicate the unique preprinted barcode that was affixed at the mail piece's origin. Even if it were possible to do, it would add substantial complexity to the service and greatly increase its costs with little or no benefit to the customer.

DBP/USPS-T1-68. Please refer to your response to DBP/USPS-T1-60.

- (a) Is it possible to endorse the PFS reshipment container with a postage due endorsement to account for a short paid mailpiece that was included inside the PFS container and thereby allowing for reshipment of that mailpiece inside the PFS container under the regular weekly fee of \$10?
- (b) If not, why not?

RESPONSE:

(a)-(b) This possibility has not been investigated. While I cannot categorically rule out the possibility discussed in this question, it would appear to require changes in postage due operations, and would accordingly be inconsistent with the Postal Service's focus on simplicity in designing PFS. In addition, reshipping the PFS package postage due would mean that the other pieces in the package could not be delivered to the customer until the postage due is paid, all because one piece of postage due mail is placed in the package. I suspect that many customers would find this very inconvenient.

DBP/USPS-T1-69. Please refer to your response to DBP/USPS-T1-60. For purposes of this interrogatory, assume that a PFS customer receives two mailpieces for reshipment in a given week. Both of them have postage paid at other than Express Mail, Priority Mail, or First-Class Mail rates. Both of them are identical in size and shape and would normally be placed into the regular weekly PFS container. Assume that one of these pieces has delivery confirmation (for which the Postal Service received an additional fee) while the other does not. The one without delivery confirmation would be forwarded free of an additional charge (the weekly fee of \$10 would cover the cost) while the one with delivery confirmation would be forwarded separately at an additional charge of \$3.85 or more. This could also apply in the event that one of them was short paid and the one that was not short paid would arrive as a part of the regular \$10 weekly fee while the one that was short paid would arrive postage due for the original amount plus at least another \$3.85. Please explain why you believe that these procedures will appear to be fair and equitable in the eyes of the PFS customer.

RESPONSE:

As noted in my response to OCA/USPS-T1-25, the Postal Service would clearly explain to customers the conditions under which mail pieces would be reshipped Priority Mail postage due. Thus, PFS customers would be informed that a Standard Mail or Package Services package sent with Delivery Confirmation would be reshipped to them postage due. Considering that customers can typically control when and where parcels are sent to them, they would be in a position to ensure that such parcels are sent directly to their temporary address. The Postal Service has taken into account the fact that customers typically have control over when and where parcels are sent to them, and has provided customers with an incentive to exercise that control; as a result, the price of the weekly shipment is kept lower. If, after considering the rationales for why the piece with Delivery Confirmation would be treated differently from the other piece, a customer believes the service is unfair, the customer could choose not to enroll.

DBP/USPS-T1-70. Please explain why a PFS customer who needs to change their service must terminate the original service and sign up for a new service (as opposed to modifying the original service). Not only will this require a new \$10 signup fee but will also require a personal visit at a post office serving the permanent location.

RESPONSE:

This question incorrectly asserts that a customer's service cannot be modified; as I noted in my response to DBP/USPS-T1-55, a PFS customer who wants to extend or shorten the service would be able to do so without having to visit the delivery unit or post office serving her primary address. Thus, not every "change" to a customer's service would require termination and re-enrollment. Termination and re-enrollment would be required if customers wish to change their temporary address because remote enrollment is inconsistent with the customer verification process (see my testimony at page 4 and my response to DBP/USPS-T1-10). In addition, PFS is proposed as a simple experiment with a product definition that is designed for customers who know what their temporary address will be, or who do not expect to periodically change their temporary address; as such, allowing remote enrollment in order to facilitate mobility is not required and would add unnecessary complexity (and likely cost) to the product design.

DBP/USPS-T1-71. Please refer to your response to DBP/USPS-T1-57 subpart d.

- (a) While you state that you believe that PFS is not designed for a customer who is unsure of her temporary address, or expects to periodically change her temporary address, do you believe that there are instances where a PFS customer could be faced with a change in plans that was unforeseen at the time of enrolling in the service?
- (b) If not, why not?
- (c) If so, how does the Postal Service propose to accommodate the needs of that customer?

- (a)-(b) It is certainly plausible that some PFS customers' initial expectations might vary from actual experience.
- (c) Customer options have been explored extensively in this docket. An enrolled PFS customer's options, aside from using PFS on the terms originally planned, are limited to extension, shortening, or termination of service. A termination might be followed by any of the options addressed in Section IV of my testimony, or by re-enrollment in PFS.

DBP/USPS-T1-72. Please refer to your response to DBP/USPS-T1-57.

- (a) In the scenario presented in my original interrogatory, how does the PFS customer arrange for receiving non-PFS mail that is addressed to their temporary address is [sic] Florida after they leave and go to California or even for that matter return to New Jersey?
- (b) If your response to subpart a is that she would file a change of address order, why wouldn't the PFS mail being sent from New Jersey to Florida also be processed on the change of address order?
- (c) How would the Florida post office even know that the change of address order that was submitted was not permitted?

- (a) Customer options here would overlap with those referenced in the response to DBP/USPS-T1-71. One sensible response might be to terminate PFS and then make use of some combination of other options.
- (b) Your question appears to posit simultaneous use of PFS and temporary forwarding, which as I have explained in my responses to DBP/USPS-T1-44 and DBP/USPS-T1-57 would be precluded by the proposed DMCS language (Attachment A to the Request).
- (c) I presume from the structure of your question that the hypothetical involves simultaneous use of PFS and a temporary forwarding order—a situation which would be addressed by the delivery unit serving the primary address. If the Florida facility needed to know about this situation, that knowledge could flow from the unit serving the primary address, the customer, or possibly from a carrier or clerk at the facility. Employees would be made aware of the prohibition on simultaneous PFS and Change of Address Orders in program materials and during training in order to help ensure that it does not occur.

DBP/USPS-T1-73. Please refer to your response to DBP/USPS-T1-57. In the scenario presented in my original interrogatory, it would appear that there are five potential solutions to the referenced PFS customer [assuming that they do not want to physically return to the New Jersey post office and also assuming that they want to take advantage of the PFS service and not just file a "regular" change of address order], namely, [1] she could modify her PFS service to change the reshipping from New Jersey to Florida to reshipping from New Jersey to California; [2] She could cancel her PFS service from New Jersey to Florida and enroll in a new PFS service from New Jersey to Florida and let the mail sit in New Jersey until she returned to New Jersey; [4] she could file a change of address order in Florida so the any mail addressed to the Florida address, including PFS mail from New Jersey, would be forwarded to California; or [5] she could let the PFS program run its course and have the mail either sit in Florida wondering what to do with it or having it returned to the New Jersey post office as Undeliverable as Addressed.

- (a) Please confirm, or explain if you are not able to do so, that options 1, 2, and 4 above would not be permitted under the proposed PFS rules, option 1 would not be permitted because PFS can not be modified, it must be cancelled and re-enrolled; option 2 would not be permitted because enrollment must be physically done at the New Jersey location; and option 4 would not be permitted because a change of address order may not be utilized by a PFS customer.
- (b) Please provide any other potential scenarios you believe exist.
- (c) Why do you believe that options 3 or 5 would provide any service to the PFS customer particularly since the P in PFS stands for Premium?
- (d) Will any PFS mail that is returned to the New Jersey post office as Undeliverable as Addressed ultimately be delivered to the PFS customer at their permanent address in New Jersey?
- (e) If not, what disposition will be made of it?

RESPONSE:

(a) It is incorrect to make a broad statement that PFS "can not be modified" because, as I have noted several times (most recently in my response to DBP/USPS-T1-70), customers could extend, shorten, or terminate their service period. That being said, it is correct, as I noted in my response to DBP/USPS-T1-57, that changing the temporary address (options 1 and 2) would require termination and re-enrollment at the primary address. It is also correct, as I noted in my response to DBP/USPS-T1-57, that option 4 would not be permitted.

- (b) I suppose there are any number of possible scenarios available to a customer who changes her temporary address, which might involve the various options available (and referenced in the response to DBP/USPS-T1-71). One might be reliance upon a Florida friend to get the mail to California.
- (c) As reflected in my response to part (b), your options 3 and 5 are not exclusive of other alternatives for a customer who changes her temporary address. One must recognize that it would be impossible to create a service that meets the needs of every hypothetical customer capable of being conceived. By contrast, the PFS product design is quite simple. The term "Premium" reflects the fact that PFS would reship substantially all of a customer's mail in a single package using Priority Mail, and that all classes of mail would be reshipped. As such, PFS would provide a level of service that expands upon the existing options and would presumably meet the needs of customers who enroll. The term "Premium" does not mean—as you seem to imply—that the individual needs of every conceivable customer would be satisfied. As proposed, PFS simply might not be a good option for a customer whose temporary address changes. (d)-(e) Specific procedures addressing this possibility, if needed, have not been developed.

DBP/USPS-T1-74. Please refer to your response to DBP/USPS-T1-57 subparts a and b. You indicate that having the PFS customer's mail travel from the sender to New Jersey to Florida to California would be wasteful and slow, and contrary to customers' interest in timely receipt of their mail.

- (a) Wouldn't the delivery of the mail this way still be faster that [sic] not receiving it at all as noted in the scenarios in DBP/USPS-T1-73?
- (b) If not, why not?

RESPONSE:

(a)-(b) As a proposed simple experiment, PFS is not designed for the hypothetical customer presented in DBP/USPS-T1-73. As I noted in my response to DBP/USPS-T1-44, PFS is designed as an exclusive alternative to temporary or permanent forwarding, not as an option that could be mixed with those existing options. Thus, if a customer wishes to have her mail sent to a new temporary address, but does not wish to re-enroll in PFS, she would be well advised to terminate service and submit a Change of Address Order.

DBP/USPS-T1-75. Please refer to your responses to DBP/USPS-T1-62 and OCA/USPS-T1-37. DMCS Section 521.61 permits Package Services to have a combined length and girth of not greater than 130 inches. DMCS Section 231 limits the combined length and girth for Priority Mail to a maximum of 108 inches. Proposed DMCS Section 937.11 states that parcels too large for the weekly reshipment would be sent via Priority Mail, postage due.

- (a) Please explain how a PFS customer receiving a parcel with a combined length and girth of between 108 and 130 inches would have that parcel forwarded by Priority Mail since it would exceed the size limits for Priority Mail.
- (b) Please explain how the Postal Service plans to correct the conflict in the wording of the DMCS.

- (a) If an oversized Parcel Post parcel is addressed to a PFS customer's primary address, it would be reshipped to the temporary address postage due at the appropriate Parcel Post oversized rate, because it is ineligible to be sent Priority Mail. The Postal Service expects that this situation is unlikely to occur, however. For instance, as with other Package Services parcels, customers typically have control over when and where oversized parcels are sent to them, and would thus be provided an incentive to have those parcels sent directly to their temporary address.
- (b) The Postal Service is currently exploring how best this unlikely but technically possible situation should be reflected in proposed DMCS section 937.

DBP/USPS-T1-77. Please refer to your response to DBP/USPS-T1-64 subpart e. Your response stated "even if it was physically capable of being utilized." Please confirm, or explain if you are unable to do so, that the scenario described could be, as opposed to "even if", <u>physically</u> utilized as a container for reshipping PFS mail.

RESPONSE:

Whether the orange Priority Mail pouch could be "physically utilized as a container for reshipping PFS mail" has not been studied; such study would be complicated by the fact that the term "physically utilized" is susceptible of varying definitions. In any event, the Postal Service does not consider the orange pouches suitable, physically or otherwise, for delivery to residential customers. However, I can confirm that the orange Priority Mail pouch has proven capable of accommodating multiple mail pieces. As such, I would expect that an orange pouch could hold the letters, flats, and periodicals received during the week and have room for something else.

DBP/USPS-T1-81. Please refer to your response to DBP/USPS-T1-65. Please advise how the USPS employee will make the determination on whether to include the parcel in the reshipment container or not based on the volume of non-parcels to be shipped for the entire week since, if the parcel is not to be included in the reshipment parcel, it would have to be reshipped immediately and the employee would not know the volume of non-parcels until the end of the week.

RESPONSE:

This question incorrectly states that all parcels "have to be reshipped immediately." The only parcels that would "have to be" immediately rerouted to the temporary address would be Express Mail, Priority Mail, and parcels that require a scan. Other parcels would generally be held until Wednesday, when the employee would make an educated decision, after considering the dimensions of the parcel and the dimensions of the eligible letters, flats, and periodicals received that week, as to whether to include the parcel in the PFS package or reship it separately.

DBP/USPS-T1-82. Please refer to your response to DBP/USPS-T1-67. You appear to have misinterpreted my original interrogatory. What I suggested would be the placing of a similar barcode on the outside PFS container such as, if there were one or more Delivery Confirmation articles inside the PFS container, a regular Delivery Confirmation barcode could be affixed to the outside of the PFS container and then both the inside, original barcode(s) could be scanned and then the outside, new barcode could be scanned with appropriate arrangements so that future scanning of the new, outside barcode would transfer the information to all of the inside, original barcodes. This would be similar to the firm delivery of multiple accountable mailpieces where the scanning of a single barcode transfers the data to all of the individual pieces. If necessary, please redirect this interrogatory for institutional response.

RESPONSE:

The experimental version of PFS proposed by the Postal Service is a simple product that uses manual processes in the delivery unit. This interrogatory assumes a more complicated product that interacts with systems supporting other services. The Postal Service has not explored the cost consequences of such a more complicated product. While such a product might be considered in the future, it would not be consistent with PFS as proposed.

DBP/USPS-T1-83. Please refer to your response to DBP/USPS-T1-70. You indicate that a personal visit must be made at the post office serving the primary address so that customer verification could be accomplished. Assume that the visit is made to another branch or station of the post office providing actual delivery to the customer, for example, if I get my mail delivered by the Village Station 10014 in Manhattan, New York City, and I visit the Gracie Station 10028 in Manhattan to enroll or reenroll in PFS.

- (a) Please specifically describe each and every interaction that would take place at the Gracie Station between the PFS customer and postal employee as relates to providing customer verification. Please also indicate the means of communication or correspondence that might take place between the employee at the Gracie Station and the Village Station or other facility of the New York post office.
- (b) Please <u>specifically</u> explain why each of the items noted in your response in subpart a could not equally be conducted between the employee at the Village Station and, for example, a USPS employee at the Tampa, Florida post office.

- (a) For a discussion of the customer verification process, please see my testimony at pages 3-4 and my responses to DBP/USPS-T1-33, OCA/USPS-T1-17, and OCA/USPS-T1-18. Specific customer verification procedures beyond those provided in my testimony and earlier interrogatory responses have not yet been developed. As I noted in my responses to DBP/USPS-T1-33 and OCA/USPS-T1-16, if the PFS application is properly submitted at a facility other than the delivery unit serving the customer's primary address, but under the same administrative supervision as the delivery unit, then the application would be forwarded to the delivery unit; more specific details about how this would occur have not yet been developed.
- (b) Enrollment at a facility that is administered by the same main post office as the primary address delivery unit is qualitatively different than enrollment at a facility that is not administered by the same main post office as the primary

address delivery unit. For example, there is necessarily a great deal of routine coordination within a multi-facility post office that does not exist to the same extent with facilities that are across the country.

DBP/USPS-T1-83. Please refer to your response to DBP/USPS-T1-70. You indicate that a personal visit must be made at the post office serving the primary address so that customer verification could be accomplished. Assume that the visit is made to another branch or station of the post office providing actual delivery to the customer, for example, if I get my mail delivered by the Village Station 10014 in Manhattan, New York City, and I visit the Gracie Station 10028 in Manhattan to enroll or reenroll in PFS.

(b) Please <u>specifically</u> explain why each of the items noted in your response in subpart a could not equally be conducted between the employee at the Village Station and, for example, a USPS employee at the Tampa, Florida post office.

SUPPLEMENTAL RESPONSE TO PART (b):

Allowing enrollment at a facility that is not administered by the same main post office as the primary address delivery unit was considered but rejected during the development of the PFS product design for the following reasons:

- 1) Offices within a multi-facility post office routinely courier information among themselves and are familiar with what facility handles mail for which zones. Inter-facility interaction and communication are thus routine and commonplace, whereas they are not in the case of distant offices. Allowing remote enrollment in a distant office could, for example, delay the customer's application, increase the possibility of it getting lost in the system, and increase the potential for a mail security problem.
- 2) Local offices are familiar with the primary residence addresses in their areas, which reduces the possibility of errors and aids in the prevention of fraud. For example, a local clerk could easily verify the customer's primary address information when the address provided is in doubt, thereby avoiding application

reversals and refunds. In addition, it would be easier to present a fraudulent application at a post office unfamiliar with the primary address.

RESPONSE OF POSTAL SERVICE WITNESS COBB TO INTERROGATORY OF DAVID B. POPKIN, REDIRECTED FROM WITNESS ABDIRAHMAN

DBP/USPS-T3-1. On lines 20 and 21 on page 1 of your testimony, you indicate that PFS customers may not make use of any traditional forwarding option. Please confirm, or explain if you can not do so, that if the PFS is utilized for less than all residents at a given household that those that are not included in the PFS program may utilize any authorized forwarding option.

RESPONSE:

Confirmed that PFS and traditional forwarding options could be in simultaneous effect for different, individual addressees at a given delivery point.

DFC/USPS-T1-1. Please refer to your response to DBP/USPS-T1-26.

- (a) Please confirm that parcels weighing 13 ounces or less that are originally sent as First-Class Mail may be too large to fit in the Priority Mail container used to reship a customer's mail. If you do not confirm, please explain.
- (b) Please explain why parcels weighing 13 ounces or less that are originally sent as First-Class Mail, that are sent without a special service requiring a scan, and that are too large to fit in the Priority Mail container used to reship a customer's mail will be reshipped at Priority Mail rates, with postage due, rather than forwarded as First-Class Mail with no postage due.
- (c) For the parcels described in (b), please explain why the Postal Service's plan to reship these parcels at Priority Mail rates, with postage due, would be more consistent with 39 U.S.C. § 3622(b)(1) and (2) and 39 U.S.C. § 3623(c)(1) and (2) than a plan that would forward these parcels as First-Class Mail with no postage due.
- (d) This interrogatory refers to parcels weighing 13 ounces or less that were originally sent as First-Class Mail. Please explain why a First-Class Mail parcel for which the sender has not purchased a special service that requires a scan should be forwarded or reshipped by a different class or subclass than a First-Class Mail parcel for which the sender has purchased a special service that requires a scan.
- (e) This interrogatory refers to parcels weighing 13 ounces or less that were originally sent as First-Class Mail. Please explain why the presence of a special service requiring a scan should affect the determination of whether the parcel will be forwarded via First-Class Mail or reshipped via Priority Mail.

- (a) Confirmed. However, as noted in the Attachment to my response toOCA/USPS-T1-32, the likelihood that First-Class Mail parcels would fit into thePFS package is comparatively high due to their 13-ounce maximum weight limit.
- (b) Please see the Attachment to my response to OCA/USPS-T1-32. As noted in that table, First-Class Mail parcels that do not require a scan, and that do not fit into the PFS package, would be reshipped as First-Class Mail, with no postage due. Accordingly, all mail pieces that would receive free shipment under PFS also would receive free forwarding if a forwarding order were filed.

- (c) N/A
- (d)-(e) Please see the Attachment to my response to OCA/USPS-T1-32. First-Class Mail parcels would be reshipped as First-Class Mail if they are not placed in the PFS package (either because they require a scan at delivery or are too large). The only distinction between First-Class Mail parcels that require a scan, and First-Class Mail parcels that do not require a scan, is that the latter would be included in the PFS package if they fit.

OCA/USPS-T1-1. Please refer to your testimony at page 1, line 21. Please explain in more detail your statement that the Postal Service will reship the mail for an entire delivery address "for one or more individual addressees." For instance.

- (a) May one person in a household purchase Premium Forwarding Service (PFS) while the remaining persons in the household may continue to receive service at the permanent address?
- (b) Can two or more persons from the same permanent address each purchase a separate PFS for different temporary addresses?
- (c) Have you considered the error rate caused by permitting individual household members to register for individual PFS service and the cost of correcting such errors? If so, please explain.
- (d) How will pieces erroneously forwarded in a PFS box be handled when returned to the Postal Service if (1) they were addressed to another person in the household at the permanent address of the PFS customer and (2) if the pieces were addressed to another household?

- (a)-(b) Please see my response to DBP/USPS-T1-3.
- (c) No. This feature of PFS is modeled upon existing forwarding service options, which are available to individuals at an address or the entire family at that address. Postal Service employees are thus experienced in performing such a service feature.
- (d) Misdelivered mail is typically marked up and re-entered into the mail by the customer who receives it.

OCA/USPS-T1-2. Please refer to your testimony at page 2 where you indicate some informal arrangements have guided the definition of PFS.

- (a) Have any of the informal arrangements in some offices and districts included a fee for the arrangement? If so, please explain.
- (b) Please describe the characteristics of the informal arrangements in some offices and districts which differed from the definition finally proposed here for PFS.
- (c) Are these informal arrangements the same arrangements referred to by witness Rothschild in her testimony at page 4, line 19, and page 5, line 3, as the Snowbird program and Snowbird Temporary Forwarding?
- (d) Are these informal arrangements the same arrangements referred to by witness Rothschild in her testimony at page 7 as "Bundled Reshipping?"

- (a) Not to my knowledge. Customers did pay postage in advance for these informal arrangements, either by presenting prepaid Priority Mail Flat Rate envelopes or depositing funds in a postal administered account. In these latter cases, each package is weighed and rated so that the appropriate postage is applied, with the postage amount deducted from the customer's account.
- (b) Please see the attachment to DBP/USPS-T1-5, which illustrates how the informal arrangements in two offices have operated. These informal arrangements differ from the proposed uniform service in several ways. For example, customers in one office could choose Express Mail service rather than Priority Mail service, and were required to apply postage to and address the envelopes used for reshipment. This proposed PFS service would replace all informal arrangements with the standardized and simplified service described in Section II of my testimony.
- (c)-(d) All of the references to "Snowbird" and "Bundled Reshipping" in witness Rothschild's testimony and library reference refer to these informal

arrangements; however, I could find no reference on page 5 of her testimony to "Snowbird Temporary Forwarding." She does use "Snowbird, Temporary Forwarding" on lines 3-4 of page 5 of her testimony, which I understand is a reference to two of the sampling strata that she used.

OCA/USPS-T1-4. Please refer to your testimony at page 2, lines 21-2 [sic], where you state small Priority Mail pieces will be rerouted unless delivery will not be delayed by placing them in the PFS shipment.

- (a) What will be the standard for the number of days Priority Mail pieces may be held for shipment in the PFS box rather then rerouted immediately?
- (b) Will carriers and clerks be made aware of that standard? If so, how?

RESPONSE:

(a)–(b) Priority Mail is an expedited service; such pieces would not be held for reshipment if doing so would delay delivery to the temporary address.

Conceivably, only Priority Mail arriving on Tuesdays after dispatch and on Wednesdays prior to PFS dispatch would be held for inclusion in the PFS package. Standard Operating Procedures have not been developed, but would address this situation and provide instructions to clerks and carriers.

OCA/USPS-T1-5. Please refer to your testimony at page 3, line 2, where you indicate packages and parcels will be shipped PFS if they will fit into the Priority Mail packaging size that is "typically used for a customer's PFS shipments...." Otherwise, they will be forwarded (reshipped) postage due at the Priority Mail rate.

- (a) Will the typical size of Priority Mail packaging vary for each customer depending on each customer's average mail volume?
- (b) If a customer typically has a small volume of mail forwarded by PFS and a typical Priority Mail box size is used, and the customer then receives a small package via parcel post that will not fit into the typically used size of Priority Mail box, is it your testimony that the customer will then be required to pay the Priority Mail rate as postage due for the parcel which was originally shipped at parcel post rates? If so, can customers opt to have such packages forwarded at the rate applicable to the original shipping rate rather than the Priority Mail rate in order to save the more expensive cost of Priority Mail?
- (c) If a large catalog does not fit into the PFS box, will it also be reshipped as postage due Priority Mail?
- (d) Can customers with PFS opt out of having to pay for forwarding packages that do not fit into the typical Priority Mail PFS shipment box that would otherwise be forwarded at the postage due Priority Mail rate? Has this issue been explored in the designing the PFS service? If so, please explain the analysis leading to the current proposal.

- (a)-(b) Please see my response to DBP/USPS-T1-2. In situations where a Parcel Post package is not included in the PFS container, the customer would not be able to opt out of that package being sent Priority Mail postage due. My response to OCA/USPS-T1-13 is also applicable here.
- (c) As a general rule catalogs should fit inside the PFS package. My response to DBP/USPS-T1-2 is also applicable here.
- (d) Customers would not be able to opt out of this feature. This issue was considered in designing PFS. However, PFS is proposed as a simple experiment without the complication of such a feature.

OCA/USPS-T1-6. Please refer to your testimony on page 3 regarding Standard Operating Procedures. Please describe the amount and type of planned training of Sales and Service Associates and carriers that will be required to explain PFS to all customers who inquire about temporary change of address service.

RESPONSE:

The plans for and content of any training have not been developed. However, we do not expect that the existence of PFS will trigger any special training for carriers or SSAs. I understand that craft employees are provided training at regular intervals; only the content changes. If a PFS experiment goes forward, some of that content would need to address PFS. In any event, since PFS is conceptually similar to certain aspects of the respective forwarding options as well as hold mail procedures, I do not expect that training will be at all extensive.

OCA/USPS-T1-7. Please refer to your testimony on page 3 regarding the information required to sign-up for PFS. Many times persons moving temporarily on business assignments or extended vacations do not know how long they will be there.

- (a) What provisions in PFS service do you have for such customers?
- (b) What provisions in PFS service do you have for those customers who need to alter their plans and shorten or lengthen their stay and modify the PFS?
- (c) What provisions do you have to refund prepaid PFS money if the service is purchased and the customers' plans are changed slightly or, in some cases, changed significantly? For instance, a planned long winter vacation may be suddenly interrupted by family emergencies early in the vacation.

RESPONSE:

Please see my responses to DBP/USPS-T1-12 and 13. Customers would be required to provide a start and an end date for the service. In instances where customers are unsure of their return date, they would nonetheless be required to provide a best estimate and pay for the service based on that estimate.

Customers would be allowed to extend an existing service to the 12-month limit while paying for all additional weeks in advance. Extensions would not require a new enrollment fee. Customers could also shorten a service period and request an appropriate refund, in accordance with existing procedures.

OCA/USPS-T1-8. Please explain why Wednesday was selected as the day of the PFS shipment. Will local post offices be permitted to establish a different shipment day? If so, will the variation depend on the workload of the office or the number of PFS shipments from any particular office or carrier route?

RESPONSE:

Wednesday was chosen because 1) delivery units' mail volume is typically heaviest on Mondays and Tuesdays, and 2) Wednesday is a comparatively light processing and delivery day for most offices. A Wednesday shipment date thus allows for customers to receive most of their mail within the same week. In addition, having a designated shipment day standardizes the service and provides customers with predictable and consistent delivery of their mail. I suppose it is possible that a particular office might justify use of a different day; any requests to change the shipment date would be evaluated during the experiment and considered on an individual basis.

OCA/USPS-T1-9. Please explain your testimony at page 6 as to why PFS would not be available to individuals whose primary address is a commercial mail receiving agency (CMRA).

RESPONSE:

CMRA customers sign a formal authorization for that CMRA to act as their agent for the purpose of receiving mail. A PFS customer would sign an authorization asking the Postal Service to reship mail to a different address. As such, a CMRA and PFS are alternative directives by a delivery customer regarding the handling of mail sent to one addressee at one address. Unless a CMRA customer formally revokes the authorization for the CMRA to act as an agent for delivery, the Postal Service would face contradictory obligations for how to deliver that customer's mail. This mutual exclusivity is also consistent with the general obligation of CMRAs to mail (using new postage), ship, or otherwise get mail to former customers.

OCA/USPS-T1-10. Please provide a copy of the PFS label referred to in your testimony on page 6, note 3, what will allow for employee identification and a report on PFS shipments.

RESPONSE:

The label has not been developed.

OCA/USPS-T1-12. Why do all the pieces in the PFS system have to be shipped Priority Mail?

RESPONSE:

Strictly speaking, all pieces subject to PFS reshipment would not be shipped Priority Mail; for example, Express Mail pieces would always be reshipped as Express Mail, and First-Class Mail would be reshipped as First-Class Mail when not included in the PFS shipment. Please see the Attachment to my response to OCA/USPS-T1-32. PFS packages would be sent via Priority Mail because PFS would be a premium service whose goal is to expedite the delivery of all of a customer's mail to a temporary address. Priority Mail provides a rate and speed of service that meets this goal.

OCA/USPS-T1-13. Why must all pieces not fitting into a PFS box be forwarded at Priority Mail Rates regardless of the class they were originally entered under?

RESPONSE:

Parcels sent to the primary address that are not Priority Mail, Express Mail, or First-Class Mail would be sent to the temporary address Priority Mail postage due if they 1) require a scan at delivery; or 2) do not fit into the PFS package. This use of Priority Mail would be consistent with two goals. One is the premium nature of the proposed service, whose goal is to expedite the delivery of all of a customer's mail to a temporary address. Priority Mail provides a rate and speed of service that meets this goal. The second goal is maintaining the simplicity of the product design.

OCA/USPS-T1-14. Please refer to your testimony at page 3, lines 8-9. Please confirm that Sales and Service Associates will be window clerks. If you do not confirm, please explain.

RESPONSE:

The current job title for a window clerk is "Sales and Service Associate."

OCA/USPS-T1-15. Please refer to your testimony at page 3, lines 12-13, where you state "Customers must complete and sign a four-part hardcopy PFS application." Please provide a copy of the four-part PFS application.

RESPONSE:

While the Postal Service is considering what information would be necessary for a PFS application, an actual application form has not been developed. The data elements identified in the six bullets on page 3 of my testimony, plus the need for a four-part form, reflect our current understanding of what is necessary.

OCA/USPS-T1-16. Please refer to your testimony at page 3, lines 12-13. Please confirm that customers must complete and/or submit the application for PFS at the delivery unit serving the customer's primary address. If you do not confirm, please explain.

RESPONSE:

The current expectation is that PFS applications would be accepted at any facility under the same administrative supervision of the post office responsible for delivering mail to a customer's primary address. Thus, the delivery unit serving that address would usually be an option (if it has a retail window), as would the main office and its stations or branches.

OCA/USPS-T1-17. Please refer to your testimony and [sic] page 3, lines 16-17, which states that the customer must identify the "Primary address from which mail would be reshipped," and the "Temporary address to which PFS shipments would be sent." At page 4, lines 10-13, you note the SSAs would review the application. Would the clerk receiving the PFS application verify the accuracy of the primary address and the temporary address in "real time," i.e., in the presence of the customer making the application? Please explain what methods would be used to verify the accuracy of primary address and the temporary address.

RESPONSE:

The SSA would ensure that there is no discrepancy between the address on the personal identification presented by the customer and the primary address on the PFS application. The SSA would also confirm that the temporary address on the application is where the customer wants the mail reshipped, and would make sure all addresses are legible.

OCA/USPS-T1-18. Please refer to your testimony at page 4, lines 14-15, where it states "SSAs would also question each customer ordering PFS to ensure that the customer has no active forwarding order (PS Form 3575) in effect."

- (a) In general, do post offices (i.e., delivery units) have and maintain an updated list of customers with active change-of-address orders? Please explain.
- (b) For post offices that have provided customers with reshipping arrangements conceptually similar to PFS, do such offices have and maintain an updated list of customers with active change-of-address orders? Please explain.
- (c) What methods, other than questioning the customer, will the SSA use to independently verify that a customer does not have an active change-of-address order? Please explain.

- (a)-(b) Post offices do maintain an updated record of active change of address orders, although not usually in list form. Each carrier and box clerk keeps a record of address changes in his or her area.
- (c) Our plan is to have the SSA simply verify orally, at the time of application, that an active change of address order is not on file. The box section clerk or carrier serving the customer's primary address would later verify this.

OCA/USPS-T1-19. Please refer to your testimony at page 5, lines 7-10.

- (a) Please provide a blank copy with headings of a PFS coordinator's Master Log of PFS customers.
- (b) Is the Master Log of PFS customers expected to be maintained and updated via computer? Please explain.

- (a) While the Postal Service is considering what information would be necessary for the Master Log, a finalized form has not been developed. As the cited portions of my testimony indicate, however, the Master Log would contain a PFS customer's basic reshipping information.
- (b) The actual appearance of the Master Log could vary depending on the office's technological capabilities. In offices with a computer, I envision the Master Log being in a Word or Excel document format; therefore, it could be replicated, maintained, and updated using a computer.

OCA/USPS-T1-20. Please refer to your testimony at page 5, lines 14-15, where it states, "The carrier or box clerk would review his or her records to verify that the PFS applicant has no active temporary or permanent Change of Address on file."

- (a) Please confirm that carrier and box clerk would not verify whether the PFS customer has an active temporary or permanent Change of Address order on file in "real time," i.e., in the presence of the customer making the application. If you do not confirm, please explain.
- (b) Please explain how the Postal Service will process a PFS application and customer's payment where the carrier and box clerk determine after an application has been submitted that the PFS customer has an active temporary or permanent Change of Address order on file.

- (a) Confirmed.
- (b) A situation where simultaneous PFS and forwarding orders are in effect for a PFS customer would certainly be unusual, since customers are presumably aware of when they submit a Change of Address order, and have no reason to give conflicting orders on the delivery of their mail. Specific procedures for this unlikely occurrence, if warranted, have not been developed.

OCA/USPS-T1-21. Please refer to your testimony at pages 5 and 6, lines 21 and 1, respectively.

- (a) Please identify the postal employee that would enter the names and addresses displayed on the machine-printed labels.
- (b) Please explain at what postal office or facility the names and addresses would be entered that are displayed on the machine-printed labels.
- (c) Please identify at what postal office or facility the machine-printed labels would be generated.
- (d) Please explain how the Postal Service will assure the accuracy of the names and addresses displayed on the machine-printed labels.

- (a) The employee may vary depending on the office, but my expectation is that it would usually be a clerk.
- (b)-(c) The machine-printed labels would be generated, and the names and addresses entered, at the post office handling PFS for the customer or at its District Consumer Affairs Office.
- (d) The person preparing the labels would check the customer's name and address on the label against the customer application or the Master Log.

OCA/USPS-T1-22. Please refer to your testimony at page 2, lines 12-15.

- (a) Please identify all accountable mail and all mail requiring a scan upon delivery that "would not be held for shipment within the PFS package."
- (b) Please explain how "such mail would be rerouted immediately to the temporary address." Specifically: Is a reshipping label applied to the accountable mail and mail requiring a scan? Will the scan be effectuated at the temporary address? How will accountable mail be handled?

- (a) During the development of the PFS proposal, we determined that mail that requires the scan of a barcode and/or a signature upon delivery, which includes mail commonly understood as being accountable mail, would not be delayed for or included in PFS packages. Mail requiring a scan includes Express Mail, Numbered Insurance, Certified Mail, Registered Mail, Collect on Delivery (COD), Signature Confirmation, Delivery Confirmation, and Return Receipt. Postage Due Mail would also be rerouted immediately to the temporary address.
- (b) In most cases, I do not envision attaching a reshipping label to these pieces because some accountable pieces have carbonless address labels that require pressure when completing the label to ensure the address is on all copies. The carrier would instead line through the permanent address and write in the temporary address, and then reenter the piece into the mail stream immediately. Operationally, all mail requiring a scan at delivery would be handled as though a forwarding order were in effect: the mail would receive a "forwarded" scan at the delivery unit for the primary address and a "delivered" scan (or one or more other scans, including attempted delivery) upon its arrival at the temporary address. Thus, the final scan would be effectuated at delivery to the temporary address.

OCA/USPS-T1-23. Please refer to your response to OCA/USPS-T1-2(a), where it states, "Customers did pay postage in advance for these informal arrangements [by] . . . depositing funds in a postal administered account. [E]ach package is weighed and rated so that the appropriate postage is applied, with the postage amount deducted from the customer's account."

- (a) Please describe the features and operation of a "postal administered account."
- (b) Please explain what mailers are eligible to establish a "postal administered account."
- (c) Will a PFS customer be able to establish and prefund a postal administered account?
- (d) Will a PFS customer be able to make additional deposits to a postal administered account to accommodate an extended stay at a temporary address? Please explain.
- (e) Does the Postal Service have any plans to permit online applications for PFS and the online payment of PFS? Please explain.
- (f) Please confirm that the "weighing and rating of each [Priority Mail reshipment] package" would consist of the following information: weight, zone (i.e., origin and destination ZIP Code), and rate of postage. If you do not confirm, please explain.

- (a)-(b) The postal-administered account was a feature of one of the districts noted in my response to DBP/USPS-T1-24. To the best of my knowledge, customers utilizing the informal reshipping arrangement deposited funds at their local post offices prior to leaving for their temporary location. I am informed by the Finance Department that this practice is not available for use by any nationwide PFS experiment. Such accounts did allow the weighing and rating of Snowbird packages, and consequent payment of shipment-specific postage.
- (c)-(d) No.
- (e) These possibilities are being explored in a context that would also permit online payment of post office box and perhaps other fees.

(f) I can confirm that weighing and rating would require determination of weight, zone, and postage rate.

OCA/USPS-T1-24. Please refer to your testimony at pages 3 and 4, concerning "Customer Sign-Up" and "Verification." At any point during customer sign-up and verification, will a PFS customer be given the name, phone number, and other contact information of the PFS coordinator or other responsible postal employee at the delivery post office that can answer questions and resolve complaints concerning the quality of service provided to the customer? Please explain.

RESPONSE:

While standard operating procedures of the type and nature posited have not been developed, it is possible that they might include providing customers such information.

OCA/USPS-T1-25. Please refer to your testimony at pages 3 and 4, concerning "Customer Sign-Up" and "Verification." Will the Postal Service's printed customer information and the oral description of the PFS by window service personnel clearly state the conditions under which non-Priority Mail pieces will be forwarded Priority Mail postage due? If not, please explain.

RESPONSE:

The Postal Service would clearly explain to customers the conditions under which mail pieces would be reshipped Priority Mail postage due. The specific means by which such information would be communicated has not been determined, but the need to do so is well understood.

OCA/USPS-T1-26. Please refer to your testimony at page 5, lines 18-20. Please confirm that the Postal Service will be able to track the PFS Priority Mail reshipment package to each customer. If you do not confirm, please explain.

RESPONSE:

I am not sure how to interpret this question, so I will answer both ways that occur to me. Each PFS package would have a PFS customer's temporary address and name on it, so in this sense each piece could be identified as containing the mail of a specific PFS customer. If this question is instead asking whether special services such as Delivery Confirmation or Signature Confirmation are part of PFS, the answer is 'no'. The simplicity of the product definition does not allow or require such options.

OCA/USPS-T1-27. The following interrogatories relate to the amount of postage to be affixed to PFS Priority Mail reshipment boxes.

- (a) Will PFS Priority Mail reshipments indicate the appropriate postage for the weight and zone of the box as addressed?
- (b) Will the indicated postage on PFS Priority Mail reshipments be affixed at the postage rate of \$10.00? If so, how will the carrier delivering a PFS box determine that heavier high-zone boxes are not underpaid and warranting postage due?
- (c) Will the indicated postage on PFS Priority Mail reshipments be affixed at the postage rate of \$7.15 which was the assumed average Priority Mail postage in designing the fee for the PFS service? If so, how will the carrier delivering a PFS box determine the heavier high-zone boxes are not underpaid and warranting postage due?
- (d) If a flat-rate Priority Mail box is used to reship PFS mail, what postage rate will be affixed on the box as postage?

- (a) No indication of the postage applicable if the PFS package was subject to weighing and rating is necessary or appropriate. However, some indication that all postage has been paid is appropriate and would appear on PFS packages.
- (b)-(c) Please see my response to part (a). These question assume incorrectly that carriers are obligated to verify that appropriate postage has been paid for each piece of mail delivered. But as indicated in my response to part (a), no indication of the postage amount is necessary or appropriate. By marking each PFS package to indicate that all postage has been paid, anybody handling the piece would have no reason to question whether sufficient postage had been paid.
- (d) As reflected in the response to DBP/USPS-T1-2, use of Priority Mail flat rate boxes is inappropriate for PFS.

OCA/USPS-T1-28. Please refer to your response to OCA/USPS-T1-7. If a PFS customer wishes to shorten the PFS service and obtain a refund "in accordance with existing procedures" please explain the refund procedure. Please indicate whether the customer may apply for a refund at any post office or, if not, where a refund may be applied for.

RESPONSE:

Existing procedures require the customer to submit a PS Form 3533 along with evidence of the excess fees paid and proper identification. Refunds would only be issued at the retail unit associated with the customer's primary address delivery unit. My response to DBP/USPS-T1-32 is also applicable here.

OCA/USPS-T1-29. Please provide copies of the marketing information to be made available to the public describing the PFS service and notifying potential PFS customers that non-Priority Mail pieces not fitting into a PFS Priority Mail box will be forwarded postage due at Priority Mail rates.

RESPONSE:

To the extent that any such materials would be created, they have not been developed. It would potentially be a waste of resources for the Postal Service to prepare such materials at this time. However, please see my response to OCA/USPS-T1-25, which recognizes the need to explain to customers how PFS works.

OCA/USPS-T1-30. Please provide the training instructions and materials that will be used to train window service personnel to insure that potential PFS customers are made aware that non-Priority Mail pieces not fitting into a PFS Priority Mail box will be forwarded postage due at Priority Mail rates.

RESPONSE:

Please see my response to OCA/USPS-T1-29.

OCA/USPS-T1-31. Please describe how the Postal Service will determine during the experimental period the number of non-Priority Mail pieces not fitting into a PFS Priority Mail box that are forwarded postage due at Priority Mail rates.

RESPONSE:

No specific plan for collection of quantitative data regarding pieces send postage due via Priority Mail has been developed. Nor has any need for the collection of such information been established. However, the Postal Service is interested in assessing the extent to which PFS entails the shipment of pieces outside the PFS package and the impact of such pieces on operations. In the absence of any quantitative means for this assessment, qualitative means would need to be pursued.

OCA/USPS-T1-32. Please refer to your testimony at page 2, lines 12–16.

- (a) Please confirm that accountable mail also includes Registered Mail; Insured Mail over \$50; Certified Mail; and Return Receipt Requested Mail. If you do not confirm, explain why not.
- (b) Please confirm that, as part of the Premium Forwarding Service (PFS), the following types of "large" packages and parcels would be rerouted immediately, and separately, to the customer's temporary address without an "additional fee" and without a postage due charge:
 - 1. Package Service with Delivery Confirmation
 - 2. Package Service with Signature Confirmation
 - 3. Package Service (merchandise) with Return Receipt
 - 4. Package Service with insurance over \$50
 - 5. Standard Mail with Delivery Confirmation
 - 6. Standard Mail (merchandise) with Return Receipt
 - 7. Standard Mail with bulk insurance over \$50
 - 8. First Class with Delivery Confirmation
 - 9. First Class with Signature Confirmation
 - 10. First Class with Certified Mail
 - 11. First Class with Return Receipt Requested
 - 12. First Class with insurance over \$50
 - 13. First Class with Registered Mail
- (c) If you do not confirm any part of b., please explain.
- (d) Please refer to the list of package types in part b. of this interrogatory.
 - i. What class of mail would be used to send Package Service accountable pieces from the permanent delivery office to the temporary address?
 - ii. What class of mail would be used to send Standard Mail accountable pieces from the permanent delivery office to the temporary address?
 - iii. What class of mail would be used to send First-Class accountable pieces from the permanent delivery office to the temporary address?
- (e) Please confirm that, under PFS, any size Priority Mail piece, whether it fits into the weekly Priority Mail container or not will be rerouted immediately as Priority Mail to the temporary address and that no additional fee or postage due will be assessed. Also confirm that the only exception to this statement is that Priority Mail pieces that do fit into the weekly Priority Mail container will be placed in the container so long as the piece will not be delayed by that action. If you do not confirm either of the questions in this part, please explain.
- (f) Please confirm that, under PFS, any size Express Mail piece, whether it fits into the weekly Priority Mail container or not, will be rerouted immediately as Express Mail to the temporary address and that no additional fee or postage due will be assessed. Also confirm that the only exception to this statement is that Express Mail pieces that do fit into the weekly Priority Mail container will be placed in the container so

long as the piece will not be delayed by that action. If you do not confirm either of the questions in this part, please explain.

- (a) Confirmed.
- (b)-(c) Not confirmed. While each of the thirteen subparts would be promptly rerouted to the temporary address outside of the PFS package because each involves the delivery of mail requiring a scan at delivery, subparts 1-7 would be subject to Priority Mail postage due reshipment. Please see the attached table, which provides a succinct summary of how mail would be processed under PFS based on class, shape, and whether a scan is required. The table shows that all parcels that require a scan at delivery would be subject to Priority Mail postage due reshipment unless they are Express Mail, Priority Mail, or First-Class Mail.
- (d) (i)-(ii) Priority Mail would be used to reship Package Services and Standard Mail parcels that require a scan at delivery.
- (iii) First-Class Mail would be used to reship a First-Class Mail parcel that requires a scan at delivery.
- (e) Priority Mail pieces would be immediately rerouted to the temporary address, with no additional postage necessary, unless including them in the PFS shipment would not delay their delivery to the temporary address (as discussed in my response to OCA/USPS-T1-4).
- (f) Express Mail pieces would be immediately rerouted to the temporary address as Express Mail, with no postage due. Express Mail pieces would not be included in the PFS package.

DISPOSITION OF MAIL AT OFFICE SERVING OF RY ADDRESS FOR PFS CUSTOMER

SHAPE: w/ or w/o SCAN	FIRST-CLASS MAIL	PRIORITY MAIL	EXPRESS MAIL	PERIODICALS	PACKAGE SERVICES	STANDARD MAIL
LETTER	Y	M-O ²	0	Y		Y
LETTER w/ SCAN	0	0	0		<u>—</u>	
FLAT	Y	M-O ²	0	Y	_	Υ
FLAT w/ SCAN	0	0	0		_	
PARCEL	M-O ¹	M-O²	0	_	M-PD	M-PD
PARCEL w/ SCAN	0	0	0		PD	PD

LEGEND:

Y = YES, included in PFS package.

O = Reshipped OUTSIDE PFS package; no additional postage or fees required.

PD = Piece sent outside PFS package POSTAGE DUE Priority Mail.

M = MAYBE, included in PFS package if it fits.

M-O = If not included in PFS package, reshipped OUTSIDE with no additional postage or fees required.

M-PD = If not included in PFS package, reshipped POSTAGE DUE Priority Mail.

- = Not Applicable (does not occur).

Postage Due Pieces Found at Office Serving Primary Address

Any pieces arriving postage due at the office serving a PFS customer's primary address would be handled in conformity with Domestic Mail Manual P011.1.0 Such pieces would not be included in PFS packages, since that would effectively preclude payment of postage due by the PFS customer at a temporary address; however, such pieces could accrue additional postage due charges depending upon the combination of shape, need for a scan, and choice of mail service as reflected in the table above.

¹First-Class Mail parcels are likely to fit in PFS packages because of their 13 ounce maximum weight limit.

² Priority Mail pieces are unlikely to be included in PFS packages because inclusion would usually delay the Priority Mail piece's arrival at a PFS customer's temporary address.

OCA/USPS-T1-33. Please refer to your testimony at page 2, lines 12–16. Please confirm that a First-Class [Mail] package that (1) does not fit into the PFS Priority Mail reshipment, (2) does not require a scan at delivery, and (3) is not treated as accountable mail, will be forwarded as Priority Mail postage due. If you do not confirm, please explain.

RESPONSE:

Not confirmed; please see my response to OCA/USPS-T1-32. In no instance would a First-Class Mail parcel be reshipped Priority Mail postage due. Since such pieces cannot weigh more than 13 ounces, the likelihood that they would fit in the PFS package would be relatively high.

OCA/USPS-T1-34. Please explain how a telephone directory (sent as Bound Printed Matter), with dimensions 8.5" x 11" x 4" would be treated under Premium Forwarding Service (PFS).

- (a) Include in your explanation whether such a piece would be considered too large to fit into a weekly Priority Mail container.
- (b) Would such a piece be considered a large parcel or package subject to reshipping as Priority Mail, postage due? Please explain.
- (c) Could a PFS customer refuse such a piece and avoid paying the postage due charge? Explain any negative answer.
- (d) Would the Postal Service suspend PFS service to PFS customers who refuse 1 or more reshipped, postage-due, Priority Mail pieces? Please explain.
- (e) Would a piece such as that described above be placed within a Priority Mail container for reshipping or merely have a Priority Mail label placed over the original mailing label? Please explain.
- (f) We have weighed a telephone directory of the dimensions described above and found that it weighs about 5.5 pounds.
 - i. Please confirm that the rate for a single-piece Bound Printed Matter piece weighing not more than 6 pounds mailed to zone 6 is \$3.46. If you do not confirm, please explain.
 - ii. Please confirm that the Priority Mail rate for a telephone directory of similar size and weight mailed to zone 6 would be \$10.05. If you do not confirm, please explain.
- (g) Has the Postal Service considered whether PFS customers will be resentful if they pay postage due charges on packages of slight value that are sent unsolicited? Please explain the Postal Service's rationale for making such mail pieces postage-due Priority Mail in the proposed PFS service.
- (h) What methods will the Postal Service use to make clear to PFS customers that they will be expected to pay for reshipped, postage-due Priority Mail pieces on classes of mail such as Periodicals, Standard Mail, and package services?

- (a)-(b) As a general matter, because employees would make educated packaging decisions that take into account the volume of letters and flats received by a customer, phone book sized pieces might or might not be included in a PFS package. If not included, it would be sent postage due Priority Mail to the temporary address.
- (c) Yes.
- (d) No. Please see my responses to DBP/USPS-T1-7 and DBP/USPS-T1-28.

- (e) As noted in my response to part (a), the piece may or may not be included in a PFS shipment. If it is not placed in the shipment, then it could conceivably be handled using either of the alternative identified in the question.
- (f) Confirmed that the 6-pound, zone-6 single-piece Bound Printed Matter rate is \$3.46 (see Rate Schedule 522A at http://www.prc.gov/DMCS/DMCS Oct 3 2004.pdf), and that the 6-pound, zone-6 Priority Mail rate is \$10.05 (see Rate Schedule 223 at http://www.prc.gov/DMCS/DMCS Oct 3 2004.pdf).
- (g) The Postal Service has not studied customer resentment, since the need to do so has not been demonstrated. PFS is proposed as a premium service whose intent is the prompt reshipment of all mail sent to a customer's primary address. In developing the proposal, the Postal Service recognized that all mail sent to a primary address would not fit inside the box selected for reshipment; some pieces would therefore need to be reshipped as an outside piece. In conformity with the goal of expediting a customer's ultimate receipt of mail, use of Priority Mail was chosen as the primary means for reshipping mail. This is explained in my response to OCA/USPS-T1-13. Customers would be advised of the terms and conditions of the service, and would accordingly be aware of the potential for additional charges before signing up. See also my response to OCA/USPS-T1-25. A key element underlying the PFS product definition is that customers can typically control where parcels are sent to them by, for example, requesting delivery to a temporary rather than primary address since parcels are usually sent in response to the addressee's request or by a personal acquaintance likely to know the recipient's current location. Customers would have a right to refuse postage due pieces, thus providing an ultimate means for avoiding unexpected cost. If this

aspect of the service proves unpopular, the Postal Service would prefer to learn that in an experiment rather than after a service becomes a permanent classification.

(h) Please see my responses to OCA/USPS-T1-25, OCA/USPS-T1-29, and OCA/USPS-T1-30.

OCA/USPS-T1-35. Please give the dimensions of a parcel or package that is considered too large to fit in a weekly Priority Mail container. Explain whether and how the dimensions listed relate to the following DMM provisions:

- (a) C050.3.0 and .1 Flat-size mail is between 11 ½ and 15 inches long; between 6 1/8 and 12 inches high; and between ¼ and ¾ inches thick.
- (b) C050.4.0 and .1 Parcels are more than 6 inches long; more than 3 inches high; more than ¼ inch thick; and more than 6 ounces in weight.

RESPONSE:

(a)-(b) No such limitations have been established, and no need to do so has been identified.

OCA/USPS-T1-36. Please refer to your response to interrogatory OCA/USPS-T1-13 in which you indicate parcels addressed to a PFS customer that are not Priority Mail, Express Mail, or First-Class Mail would be re-sent Priority Mail postage due if they require a scan at delivery or do not fit into the PFS package. It appears that the order of packing PFS mail for reshipment is likely to affect whether a parcel will fit within the Priority Mail box and thus impact the cost to the PFS customer for parcels forwarded as Priority Mail postage due. For example, if the Postal Service employee packing mail for PFS reshipment first packs parcels, eligible for PFS reshipment, that fit into an available empty Priority Mail box and then fills the remainder of the space with letters and then, if necessary, uses a second Priority Mail letter or box for the remainder of the PFS reshipment, mailers may not be saddled as often with parcels re-sent Priority Mail postage due. On the other hand, if, while packing, the reshipment Priority Mail container is first filled with letter mail that substantially fills the Priority Mail letter or box, leaving no room for a parcel that would otherwise fit into an empty Priority Mail box, then the parcel would be forwarded postage due unless the packer places the parcel in a separate box without other mail and forwards it as a PFS reshipment piece.

- In implementing PFS, will Postal Service policy require that when packing the weekly PFS Priority Mail shipment boxes, eligible parcels that fit will be placed first into the largest Priority Mail box available and all other PFS mail added where possible, and thus a second PFS Priority Mail reshipment box (or package) will be used if necessary for any remaining PFS mail? If not, please explain.
- (b) Please confirm that if the Postal Service does not follow a policy as outlined in subpart (a), above, PFS customers would be faced with an increased risk of postage due charges that amount to a wild card of unknown potential costs for PFS customers. If you do not confirm, please explain.
- (c) Will the Postal Service commit to instructing clerks, carriers or other employees preparing the weekly PFS Priority Mail shipment to pack the largest items first so as to lessen the number of Standard Mail and Package Services parcels that are reshipped Priority Mail postage due? If not, please explain.
- (d) Will the Postal Service, as a policy regarding the preparation of the weekly PFS Priority Mail boxes for reshipment, train employees to first pack the largest pieces in Priority Mail boxes so as to reduce the number of times PFS customers will be charged Priority Mail postage due for Standard Mail and Package Services parcels reshipped outside the weekly PFS Priority Mail shipment? If not, please, explain.

RESPONSE:

(a) No. As I noted in my response to DBP/USPS-T1-27, employees would make educated packaging decisions, guided by standardized instructions, about whether to include a parcel in a PFS shipment after considering the mail being reshipped in

conjunction with the available containers. While those guidelines have yet to be developed, I can state that they would direct employees to choose from the available containers based primarily on the weight, volume, and dimensions of the letters, flats, and periodicals received during the week. As a general matter, employees would be directed not to increase the size of the container solely to ensure that parcels fit into the PFS package.

- (b) As a general matter, it is reasonable to expect that the number of postage due pieces would be higher if the Postal Service does not have a policy like that discussed in part (a) of your question than if the Postal Service implemented such a policy. As I noted in my response to OCA/USPS-T1-34(g), however, a key element underlying the PFS product definition is that customers can typically control when and where parcels are sent to them, especially considering that they would be clearly informed of this aspect of PFS. Thus, even with the guidelines discussed in my response to part (a) above, the Postal Service does not expect customers to receive an inordinate amount of postage due pieces; customers would also, in the end, have the right to refuse such pieces. In addition, if the Postal Service did have a policy that called for eligible parcels to be placed first into the PFS package, customers would lose the incentive to have parcels sent directly to their temporary address, and the price for the weekly shipment might have to be higher.
- (c)-(d) No. Please see my response to part (a) above. Such a policy would be inconsistent with witness Koroma's pricing for the service; see Attachment C to USPS-T-4.

OCA/USPS-T1-37. Your testimony indicates that a carrier may fashion a box larger than a Priority Mail box, if necessary. Does that policy apply where a parcel is larger than the largest Priority Mail box available at the Postal Service? If so, what standard will be applied to determine when a larger box should be used? Will the policy be uniform throughout the nation? If not, why not?

RESPONSE:

A box that is larger than any Priority Mail boxes would potentially be used when the volume, weight, and dimensions of the letters, flats, and periodicals received during the week recommends the use of such a box. As I noted in my response to OCA/USPS-T1-36(a), a particular box size would not be chosen simply to accommodate a parcel.